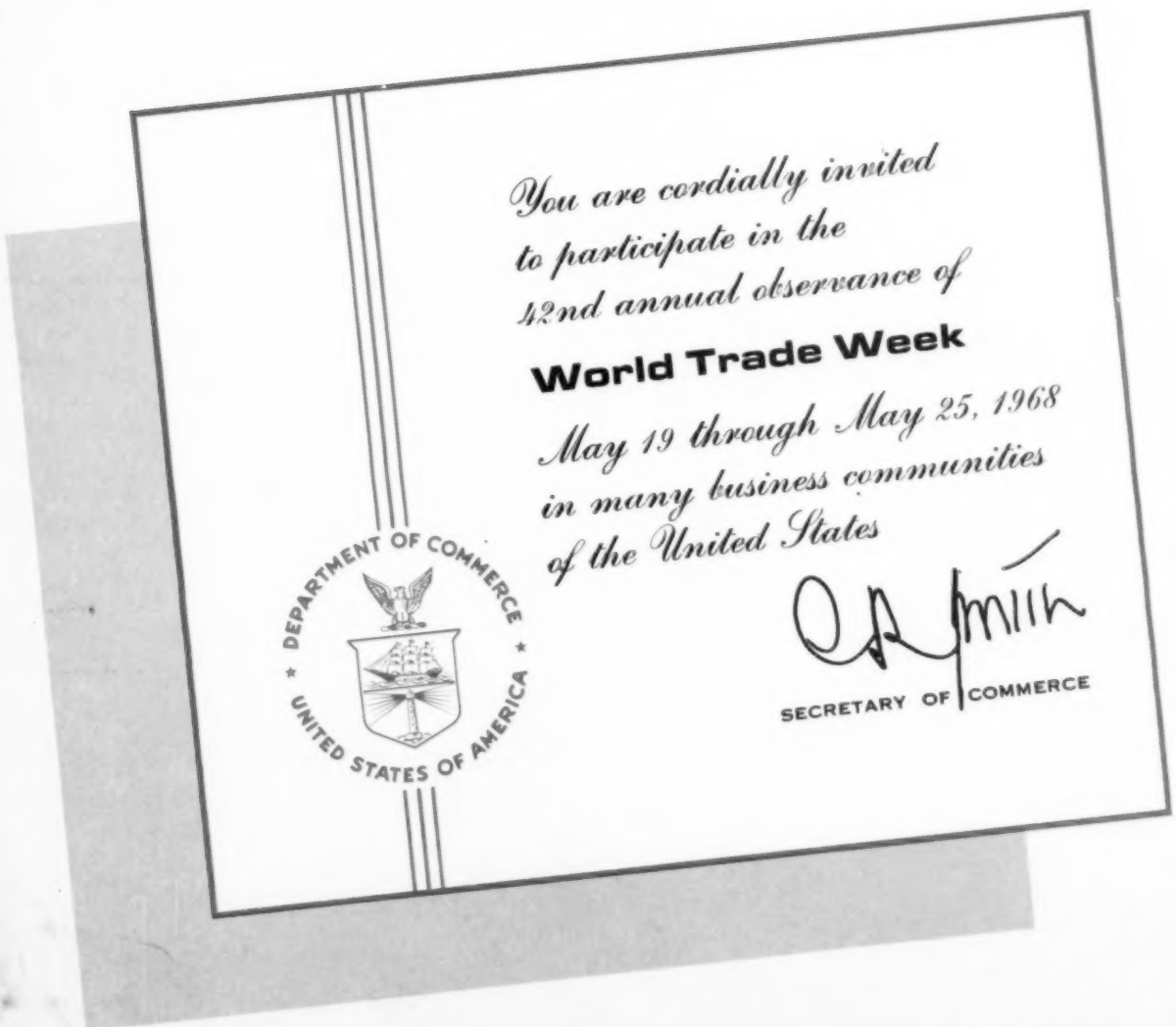
A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Commerce

May 13, 1968



International Trade Winds

Company News

DATA PROCESSING—Honeywell Electronic Data Processing, Wellesley Hills, Mass., a subsidiary of Honeywell Corp., Minneapolis, has opened a new data center in Rome to provide computer services to Italian businessmen. The center, Honeywell's second in Italy, will feature the firm's Model 1200 computer, and will be linked to 14 European Honeywell centers by teletype.

ELECTRONICS—Semiconductor Specialists, Inc., Chicago, has formed a sales and stocking facility in London. The new organization will distribute the products of several U.S. manufacturers in the solid-state circuit and integrated circuit fields to buyers in the British market. Among U.S. firms represented in England by Semiconductor Specialists are Fairchild, Motorola, RCA, Westinghouse, Signetics, ITT, Siliconix, General Electric, Clevite, Augat and others.

COMMUNICATIONS—General Telephone & Electronics International, Inc., a subsidiary of General Telephone & Electronics Corp., New York, has received a contract to provide two microwave communications systems in Finland. One of the new systems is scheduled for installation in the Helsinki area, with the other to be located just below the Arctic Circle. Each unit will be capable of transmitting 600 telephone calls, and both will supplement existing communications networks. Completion date is set for July of this year.

INDUSTRIAL CONTROLS—The Foxboro Co., Foxboro, Mass., has completed installation of what it calls the largest computer control system ever designed for the hydrocarbon processing industry at Esso Petroleum's refinery at Frawley, England. The control system, using Foxboro's PCP 88 multi-computer approach, is designed to control the majority of the refinery's fuel processing units. The installation was designed and manufactured in Foxboro's Digital Systems Division in Massachusetts. Foxboro-Yoxall, Ltd., Redhill, Surrey, England, supplied electronic measurement transmitters, transducers, panels, and consoles, and is responsible for servicing the complete system.

Calendar *for international traders*

The many activities scheduled around the country during World Trade Week have preempted the space of the Newsletter feature regularly found here. Calendar for International Traders continues from this page to its usual place on the inside back cover.

AKRON, O.—May 20—World Trade Week luncheon, Akron City Club. Speaker: Harry Osborn, REEC chairman. Sponsor: Akron Area Chamber of Commerce.

ATLANTA—May 23—In-Office Export Conference. Sponsors: Commerce Field Office, REEC.

BOSTON — May 22 — World Trade Day, Sheraton Plaza Hotel. Sponsors: CASL, Commerce Field Office, REEC, World Trade Center in New England.

BOSTON—May 22—FCIB Int'l Trade Reception & Luncheon, 72nd Annual Credit Congress of Nat'l Assn. of Credit Management, Sheraton-Boston Hotel, 12 noon.

BOSTON — May 27-28 — Businessmen's Consultation, **Gustav E. Larson, Commercial Attache, Ottawa.** Sponsor: Commerce Field Office.

CEDAR RAPIDS, Ia.—May 21—Int'l Trade Bureau, Chamber of Commerce dinner meeting, report on S. American trip, Roosevelt Motor Hotel, 6 p.m.

CHARLESTON, S.C.—May 24—Businessmen's Consultation, **David R. Thomson, Economic Counselor, Kabul.** Sponsor: Commerce Field Office.

CHICAGO—May 28—In-Office meeting, Commerce Field Office.

CLEVELAND—May 17—Nat'l Transportation Day conference, Sheraton-Cleveland Hotel, 12 noon.

COLUMBIA, Mo.—May 22—World Trade Week luncheon, Daniel Boone Hotel, 12 noon. Sponsors: Commerce St. Louis Field Office, REEC, Lions Club, Chamber of Commerce.

COLUMBUS, O.—May 21—EFTA & a Look at Europe, The Wigwam. Speakers: A. Keller, Swiss Consul; L. Schwartz, pres., World Trade Services, Inc.

DES MOINES—May 20-21—World Trade Week Seminar, Hotel Fort Des Moines. Sponsors: Commerce Field Office, REEC, Drake University.

DETROIT—May 23—Detroit World Trade Club monthly meeting, presentation of Trader of the Year award, Pick-Ft. Shelby Hotel, 6 p.m.

DETROIT—May 28—Export Marketing Workshop, Commerce Field Office, 9:30 a.m. Sponsors: Commerce Field Office, REEC.

JEFFERSON CITY, Mo.—May 20—Governor's Conference on Mo. Exports, Ramada Inn, 12 noon. Sponsors: Kansas City & St. Louis REECs, Chamber of Commerce.

KANSAS CITY—May 21—Containerization Workshop, Advertising & Sales Executives Club, 9:30 a.m.-4 p.m. Sponsors: Commerce Field Office, REEC, Int'l Trade Club.

KANSAS CITY—May 21—World Trade Week dinner meeting, Hotel Muehlebach, 5:30 p.m. Sponsors: Commerce Field Office, REEC, Int'l Trade Club, Women's Chamber of Commerce.

(Cont'd on inside back cover)

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the cover

World Trade Week activities around the country range from seminars and discussions to beauty contests and Man of the Year awards. Several "E" flags will be presented. An essay contest for high school students is being sponsored by the South Florida Regional Export Expansion Council, and Buffalo, N.Y., plans an Ambassadors' Day, with more than 30 diplomats, including eight ambassadors, expected. For information about other World Trade Week activities, see page 2.

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International Commerce

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World Trade Week has special focus this year

National effort to help balance payments to be theme of discussions across nation

In a year in which public attention has been focused constantly on the problems and challenges of U.S. foreign trade, Americans will pause this month to add a note of festivity to these discussions. Examination of the national balance-of-payments deficit, controls on investment outflow, and the dwindling trade surplus will continue during World Trade Week, May 19-25, but there will also be awards to applaud, queens to crown, friendly tours to join and colorful banquets to attend.

In his proclamation on World Trade Week, President Lyndon B. Johnson stressed the importance, this year more than ever, of the United States maintaining a favorable trade balance and a stable dollar: "This is why we have taken action this year to bring our balance of payments closer to equilibrium. The measures we have undertaken will insure the continued strength of the dollar. An essential element of this program is the expansion of our exports of goods and services to bring in more dollars."

The Kennedy Round, according to President Johnson, produced the broadest reduction of import duties in history, and will present vast new trading opportunities for the United States and for other countries.

President urges price stability

"If we are to take advantage of these new opportunities to increase our sales abroad," the President said, "we must do everything possible to make our goods better and less expensive and to make them available in foreign markets. We must make every effort to insure stable prices in order to meet foreign competition at home and abroad."

The President urged "business, labor, agricultural, educational, professional and civic groups, as well as the people of the United States generally, to observe World Trade Week with gatherings, discussions, exhibits, ceremonies and other appropriate activities designed to promote continuing awareness of the importance of world trade to our economy and our relations with other nations."

U.S. trade with individual countries will be analyzed and promoted in several cities during World Trade Week. Newark and Buffalo will concentrate on trade with Canada, Memphis plans a workshop on the Netherlands, Savannah is to discuss Afghanistan, Cleveland world traders will hear a talk on industrial Germany, and Michigan will host members of the U.S. Trade Mission to Pakistan.

'E' awards will be presented during World Trade Week in Jacksonville, San Francisco, Seattle and Detroit.

The U.S. Chamber of Commerce, national promoter of World Trade Week, will hold its National Business Conference in Minneapolis, with emphasis on what it calls the crisis in U.S. foreign trade policy.

Los Angeles, the originator of World Trade Week in 1927, has issued invitations to businessmen in 275 world markets suggesting that they time their visits to the Los Angeles-Long Beach area to coincide with its 42nd annual World Trade Week.

The invitations relate the special events and services that foreign visitors to Los Angeles can expect during World Trade Week: assistance in locating local business sources and making appointments; tours of plants, airports and stores; and a dinner hosted by local business and industrial leaders. A special display in the Chamber of Commerce building will feature new products developed by California companies.

The New York-New Jersey area plans a whole week of activities, with the emphasis on the Port of New York-New Jersey as a commercial center. The festivities kick off with the selection of a World Trade Week Queen, chosen from among young women employed in businesses or agencies involved in world trade.

Secretary of Commerce C. R. Smith will address the World Trade Day luncheon, to be held Monday, May 20, at the Plaza Hotel in New York City. On the agenda is the presentation of a Man of the Year award. A Riverboat Ball will be held aboard the side-wheeler Alexander Hamilton to benefit the South Street Seaport Museum. National Maritime Day, Wednesday, May 22, will see a cannon salute, review of classic sailing ships, and a parade. Various maritime open houses and a dinner dance sponsored by the Propeller Club of the Port of New York will cap the day's activities. An inspection of New York harbor by boat will show a group of shipping executives the facilities and services available. Kings Point Day will feature a review of the cadets and a tour of the Merchant Marine Academy.

The World Trade Association of New Jersey will concentrate on trade with Canada in its observation in Newark.

U.S. Chamber conference

The U.S. Chamber of Commerce's foreign trade policy conference in Minneapolis on May 21 will issue a call to action to U.S. businessmen as to what their roles can be in the crisis in U.S. trade.

Speakers include: Assistant Secretary of Commerce Lawrence C. McQuade; the President's Special Trade Representative William M. Roth; James H. Binger, chairman of the board of Honeywell, Inc.; Jacques Maisonrouge, president of IBM World Trade Corp.; Arch N. Booth, executive vice president of the National Chamber of Commerce; and the Lord Brown, Minister of State of the British Board of Trade.

Chicago will be the site of a number of activities, beginning the week before World Trade Week with International Trade Club of Chicago meetings. World Trade Week itself will see meetings of the U.S. Ocean Freight Agents; the German-American Chamber of Commerce, which will be addressed by Wolfgang Robinow, director of the U.S. Trade Center in Frankfurt; the Propeller Club, whose featured speaker will be Raymond W. Ickes, president of American President Lines; and a meeting on foreign direct investment sponsored by the Chicago Association of Commerce and Industry.

Savannah plans a number of World Trade Week activities, leading off with a luncheon on May 22 observing the 149th anniversary of the sailing of the steamship Savannah for Liverpool. Roderick M. Gillies, Commerce's executive director for Export Expansion Councils, and Wiley S. Messick of the Small Business Ad-

ministration are the principal speakers. Other activities planned for the week include an in-office seminar with the U.S. commercial attache at Kabul, Afghanistan, and a Propeller Club address by Senator Herman E. Talmadge. The Savannah Area Chamber of Commerce, a cooperative office of the Department of Commerce Field Office, is arranging for displays of Georgia export products to be prominently displayed both locally and in other Southern Georgia towns. The emphasis is also on shipping Georgia products through Georgia ports.

Mississippi will celebrate World Trade Week with several activities. The Louisiana-Mississippi REEC is scheduling a meeting and tour of port facilities at Gulfport on May 24. Members will then travel to Biloxi for a luncheon at the Broadwater Beach Hotel. Each day of World Trade Week tours of the port will be conducted.

The highlight of the Jacksonville World Trade Day celebration will be the presentation of a Presidential 'E' award by Commerce's Roderick M. Gillies to Robert T. Sheen, president of Milton Roy Co. of St. Petersburg, manufacturer of specialized medical equipment, including an artificial kidney system.

Memphis will hold its second Executive Level Export Seminar, co-sponsored by the Memphis Area Chamber of Commerce, REEC, World Trade Club, Department of Commerce Field Office and Mid-South Exporters' Roundtable. Among the panelists scheduled are Stefan J. Rundt of S. J. Rundt & Assoc., Dimitri Georgiadis and William E. Bush of Plough, Inc., S. Stanley Katz, director of the Commerce Department's Office of International Investment, and Kemmons Wilson, chairman of the board of Holiday Inns of America, Inc. Featured speakers will be Robert M. Norris, president of the National Foreign Trade Council, and Edward Littlejohn of Pfizer International, Inc. Another Memphis event will be an informal export workshop on the Netherlands at Cook & Co., featuring the company's agent from that country.

Focus on small businessman

The Nashville Area Chamber of Commerce and the Small Business Administration will cooperate in an export workshop promoting exporting for the small businessman. The theme will be continued in a dinner meeting co-sponsored by the Commerce Memphis Field Office, the Middle Tennessee Exporters' Roundtable and the local REEC.

Detroit plans the following programs: two "E" award presentations, to the Monroe Auto Equipment Company and to Gelman Instrument Company; consultation with members of the U.S. Trade Mission to Pakistan; presentation of World Trader of the Year award by the World Trade Club of Detroit; joint celebration with Michigan Week, enabling many kinds of promotional tie-ins. Also planned are downtown window and lobby displays, billboard-type advertisements, a newspaper article and television roundtable discussion.

Kansas City, Mo., is preparing a seminar on containerization and a World Trade dinner, to be attended by a Swiss consular official. In Jefferson City, Mo., Governor Warren E. Hearnes will host a conference on Missouri exports.

St. Louis will hold its World Trade Week luncheon and dinner on May 16. The latter, to be held at the Missouri Athletic Club, will have as guest speaker Rep. Thomas B. Curtis, on the subject of the Kennedy Round. An all-day export seminar will be held at the St. Louis Club on May 21, co-sponsored by the local REEC, Small Business Administration, Commerce Department Field Office and Pan American World Airways.

World Trade Week luncheons will be held in Columbia, Mo., May 22 and in Rolla, Mo., May 23. During World Trade Week export seminars will be held in Paducah, Ky., and in Quincy, Ill.

Cleveland will hold a World Trade Week kick-off on National Transportation Day May 17, sponsored by the Greater Cleveland Growth Association, the Cleveland World Trade Association, the Traffic Club of Cleveland and other transportation organizations. During World Trade Week itself, an international trade seminar on developments in Europe will be held.

Akron, O., will show a film on the St. Lawrence Seaway at a May 20 meeting, with commentary by Paul R. Lynham of the Port of Cleveland.

EFTA seminar planned

Columbus, O., plans a seminar on the European Free Trade Area, with guests Alfred Keller, the Swiss Consul at Cleveland, and L. C. A. Schwartz, president of World Trade Services, Inc.

The Sixth Annual Toledo Export Trade Conference is being planned by the Toledo Area Chamber of Commerce, the cooperating office of the Commerce Cleveland Field Office. Subjects to be discussed include quotas, tariffs, free trade, opportunities for business abroad, containerization on the Great Lakes and advertising overseas.

The third annual Ohio Valley International Trade Conference will be held in Cincinnati May 22. Discussions will center on the European Common Market, Latin America, Asia, Africa, contract manufacturing and licensing worldwide, and joint ventures worldwide. Several hundred businessmen and industrialists from Southern Ohio, Kentucky and

HARBOR TOURS are a popular activity of World Trade Week observations in several port cities. Last year (below) some 300 trade and civic executives attended New York harbor inspection.

Indiana are expected to attend.

Drake University, Des Moines, Iowa, will mark World Trade Week with a two-day seminar on international marketing, co-sponsored with the Iowa REEC and the Commerce Field Office. Department of Commerce action programs will be described by E. E. Schnellbacher, assistant director of the Bureau of International Commerce. Other topics to be discussed include: patents and trademarks, licensing arrangements, and financing export sales.

The fourth annual Wisconsin International Trade Conference, which includes an annual World Trade Dinner, will feature six panel discussions on: structuring for international operations; overseas business ventures; international personnel practices; the world of international transportation; financing international trade; international marketing. The conference will be held at the Pfister Hotel in Milwaukee on May 22.

The San Francisco Area World Trade Association will sponsor its annual luncheon honoring the consular corps on May 21. Lawrence A. Fox, director of Commerce's Bureau of International Commerce, will present a Presidential "E" award to Memorex Corp. Other World Trade Week activities in the Bay area include an aviation breakfast at Oakland International Airport, a Propellor Club luncheon, an Air Cargo Association luncheon, Oakland World Trade Club banquet and dance honoring the consular corps, and an International Ball sponsored by the Junior World Trade Association of the Chamber of Commerce.

Air marketing conference

Another full schedule for World Trade Week has been prepared in Denver. A symposium on Colorado success stories in international marketing leads the week. Five Colorado firms that have received "E" awards will recount their international marketing strategies. An air marketing conference will feature officials of the Civil Aeronautics Board, Boeing Aircraft Co., Ford Motor Co., Honeywell Corp., Fiberbox Corp., and local and state industrial leaders. Arthur L. Peterson, president of the American Institute for Foreign Trade in Phoenix, will be keynote speaker.

The World Trade Club of Denver's 29th annual banquet is scheduled for the Brown Palace Hotel. The same evening a program on Colorado's international science resources is planned at International House, to acquaint foreign students with the capabilities of Colorado firms in scientific pursuits. An invitational discussion on foreign trade education resources—universities, trade associations and various public agencies—will be sponsored by the Denver Chamber of Commerce. The closing event of the week is a discussion of Colorado's chief export—fundamental engineering services—at International House, featuring talks by Colorado engineers successful in international efforts.

The Royal Hawaiian Hotel in Honolulu will be the site of a Maritime Day luncheon, sponsored by the Chamber of Commerce of Hawaii, the Propeller Club and the Port of Honolulu. W. W. Keeler, president of Phillips Petroleum Co., will speak.

Trade with Canada

From Canada, a consular official, trade commissioner, customs officers, and representatives of banks and transportation companies have accepted an invitation to visit Lubbock and Odessa, Tex., and Tulsa to promote U.S. trade with Canada.

Special activities in Seattle include the presentation of an "E" award to R. A. Hanson Co. of Palouse and Spokane by the Commerce Department's Lawrence A. Fox, and presentation of a Man-of-the-Year award.

Pittsburgh plans a World Trade Forum to show Western Pennsylvania businessmen how they can develop foreign markets for profit. Representatives of Western Pennsylvania firms which do little or no export business presently but have capabilities for such trade have been invited, as well as companies now doing overseas business. Representatives of the Export-Import Bank and the International Monetary Fund will describe services of their agencies.

During World Trade Week Baltimore will see special meetings of such organizations as the Chamber of Commerce, the Soroptimist Club, the Rotary Club and the Propeller Club. Tours open to the public are scheduled on the cruise ship Port Welcome on Sunday, May 19.

In Boston various meetings, luncheons, receptions and panel sessions are planned by the Executive Club, Massachusetts Port Authority, Committee of American Steamship Lines and the Propeller Club, where Erwin Canham, editor-in-chief of the Christian Science Monitor, will be the principal speaker.

Western New York State World Trade Week activities lead off with a reception and banquet at the University of Rochester, where the graduating class of the fourth annual export training program will be honored. A Canadian Trade Mission, led by the Canadian Consul General, will spend four days in the Buffalo area.

Also in Buffalo the International Man of the Year award will be presented at a dinner-dance on Wednesday, May 22. On Friday, an Ambassador's Day will be observed with a reception, luncheon and a special program. More than 30 consuls general, ministers and charges d'affaires and ambassadors from Czechoslovakia, Ecuador, Rwanda, Uganda, the Congo (Kinshasa), Lesotho, Sierra Leone and Haiti, have accepted invitations, and 200 local industrial firms will serve as hosts. The participants will see a film promoting the Niagara Frontier in world trade.

World Trade Week activities scheduled in Philadelphia include: an opening ceremony on Sunday, May 19, with the captain of the S.S. Brazil, docked at Packer Ave. Terminals. A Maritime Day luncheon will be addressed by Governor Raymond P. Shafer, and the World Trade Week Dinner on May 23, sponsored by the Philadelphia Foreign Traders Association, will have as featured speaker William Wurster, president of Woodward & Dickerson Corp. of Philadelphia, a recent "E" award winner.

Trenton plans a meeting of the Delaware Valley International Trade Association, with Peter Blake, acting director of the state's Division of Economic Development, Department of Conservation & Economic Development, as guest speaker. Other New Jersey events include a luncheon program in Smithville and a Monmouth-Ocean counties seminar in Point Pleasant.

The So. Florida REEC is sponsoring an essay contest for high school students on the theme World Trade—an Instrument of Peace. First prize is a trip to Washington, D.C., for the winning student and his teacher, including presentation of a certificate of merit by the Secretary of Commerce. Second through fifth prizes are U.S. savings bonds in the amounts of $100, $50, $25 and $25. A breakfast meeting is planned in Ft. Lauderdale by the World Trade Committee of the Ft. Lauderdale Chamber of Commerce.

World Trade Week observation in Arizona includes the sponsorship by the Arizona World Trade Assn. and the Arizona REEC of some 30 appearances by members before Lions, Kiwanis, Rotary and other civic clubs throughout the state. The speeches will emphasize the importance of international trade to the United States and, specifically, to Arizona.

At HemisFair 68 in San Antonio, where an International Trade Center adjoins the exhibition grounds, World Trade Week will have a focus on Mexico. The Mexican State of Nuevo Leon, which includes Monterrey, will be honored at the exhibition during the week.

AmChams busy overseas

U.S. businessmen combine in varied activities in 27 lands, aid local communities

What do these events have in common:

The arrival in Tokyo of a phalanx of key U.S. businessmen to discuss the Japanese-American trading situation.

A ceremony at which U.S. business executives presented a 10-inch-high wooden cup full of pepper at the Lord Mayor's court in Frankfurt, while pipers played a 14th century melody.

Venezuelan and American businessmen meeting in Caracas to develop ways to provide relief for earthquake victims.

Creation of an export expansion council in Mexico designed to inform U.S. exporters, importers, and investors on new opportunities in Mexico.

The common thread that ties these seemingly unrelated events together is that they all, occurring last year, involved "AmChams"—American Chambers of Commerce abroad.

The first event, the Tokyo talks, occurred in November 1967 with the cooperation of the American Chamber of Commerce in Japan. This chamber is now in its 20th year. It was originally established in 1948 to coordinate American business interests in Japan. Since that time both its interests and its membership rolls have expanded substantially. Membership has increased from 38 to 650.

The ceremony which took place in the Lord Mayor's court in Frankfurt occurred under the sponsorship of not only the American Chamber of Commerce in Germany but also the Frankfurt U.S. Trade Center and the Frankfurt City government.

The unusual event was a reenactment of a 14th century ceremony that had been discontinued since 1802. Originally, the event had signified the request of merchants and officials for the right of duty-free entry of their goods at the annual Frankfurt Fair. The modern ceremony indicated the appreciation of U.S. businessmen for duty-free exhibition of their goods at the Trade Center.

The meeting in Caracas of Venezuelan and American businessmen was significant as a reflection of one of the contributions AmChams make overseas: fostering the welfare of a host country's people.

Formation of the export expansion group in Mexico illustrated still another aspect of the work of American Chambers of Commerce abroad, promoting American trade and investment in the local country.

AmChams are presently established in 27 countries on five continents. As unofficial, private, non-profit organizations, they are supported by local membership dues. They are fully accredited members of the Chamber of Commerce of the United States.

That organization expresses its view of the importance of its overseas members when, in the words of Dr. Jay H. Cerf, manager of the U.S. Chamber's International Group, it calls them "the single most prominent overseas expression of American genius for socially constructive voluntarism."

Requirements of membership in an AmCham vary from country to country. Generally, membership is open to both U.S. and foreign firms and individuals who meet an AmCham's requirements. Regardless of nationality, applicants are usually required to submit banking and commercial references. In addition, potential members are carefully screened and, in some cases, may be required to be sponsored by two members.

At the minimum, there are two general types of memberships—active and associate. An active member is either a firm with majority U.S. control or a wholly-owned U.S. firm doing business in a particular country. Associate members are firms with majority foreign ownership or local business and professional men.

Services of these chambers include: providing their members with economic, trade, tax, employment, and credit information; mediating trade disputes; and representing their members before governments and international organizations. They conduct meetings and seminars to inform their members better on business and economic conditions, frequently brief incoming U.S. businessmen on essential aspects of the local business environment, and work closely with U.S. Embassies and Consulates.

AmChams also act as a source of information for members through their reference libraries and publications. The libraries contain business directories, other reference books, business journals and periodicals, and related materials. Almost every AmCham publishes a weekly, fortnightly, or monthly periodical designed to keep its members better informed.

AmChams serve not only their members but frequently their entire communities. The American Chamber of Commerce in Peru, for example, has programs designed to help reverse the Peruvian

OLD COMMERCIAL TRADITION was noted by German AmCham, reviving a 14th Century Frankfurt rite.

"brain drain" to the U.S. by finding job opportunities in Peru for Peruvian graduates of U.S. universities.

In addition, AmChams serve the U.S. business community by favorably representing that group abroad. In Brazil, the AmChams have produced a color movie demonstrating the positive aspects of the U.S. private enterprise system. A similar presentation is being broadcast on television and radio programs in Peru.

In aiding the American business community abroad, the chambers also serve to interpret the points of view of other countries to American businessmen and vice versa. In doing this, they help to maintain friendly commercial relations between the U.S. and other countries.

Regional dimensions to the AmCham movement are the Council of American Chambers of Commerce in Europe and the Association of American Chambers of Commerce in Latin America.

The role of these organizations in promoting international trade and their position as representatives of members before the U.S. and foreign governments was recently exemplified at the Munich meeting of the Council of American Chambers of Commerce in Europe.

Against protectionism

Concerned about the number of import quota bills before the U.S. Congress, the Council submitted a unanimous resolution stating its view to the Senate Finance and House Ways and Means Committees. In this resolution the Council, representing over 10,000 members, expressed the opinion that "such restrictive measures will inevitably provoke retaliatory action by our trading partners." The Council condemned the protectionist bills as being detrimental to the commerce of the entire free world.

The Association of American Chambers of Commerce in Latin America has been especially active in contributing to the long-run economic and social well-being of Latin American countries. It is, for example, promoting a Junior Achievement Program to train young Latin American business executives. The Association also is an effective instrument for representing the views of American business in Latin America on such issues as the taxation of foreign source income and double taxation treaties.

Further information about the activities and services of AmChams is available in a newly-revised booklet, "Activities of American Chambers of Commerce Abroad," published this month by the International Group, Chamber of Commerce of the U.S., 1615 H Street, NW., Washington, D.C. 20006.

UNCTAD II meeting fell short for LDC's; commodities aided

Developing nations' aspirations still largely unrealized, but some movement seen on preferences, raw materials

While the headlines about the recent UNCTAD II conference in New Delhi told of the developing nations' disappointment at failing to get the kind of help they wanted from the U.S. and other industrialized countries, there was some progress in discussions about tariff preferences and specific commodities.

The Second United Nations Conference on Trade and Development was a large and at times unwieldy meeting, in which delegations from 130 countries sought to handle about 150 economic issues in two months.

From the viewpoint of the developing nations, the results clearly fell short of their aspirations as they had set them forth in their Charter of Algiers. The developing countries had met for many weeks in North Africa last fall to prepare unified positions for themselves on the long list of subjects that would be on the UNCTAD Agenda.

On balance, it is fair to say that the Conference achieved useful progress on some issues but fell short in meeting many others in its Feb. 5-Mar. 29 sessions.

Preferences

The most important single issue before the Conference was that of preferential tariff arrangements by the developed countries for the benefit of the developing countries.

As a result of study and consultations in the Organization for Economic Cooperation and Development (OECD) over a period of more than two years, the advanced countries of the OECD were able to put forward a broad proposal for a generalized system of preferences at UNCTAD II. The preferences would be extended by all developed countries to all developing countries and would not involve the granting of reciprocal special advantages to the developed countries.

After extended discussion of all aspects of this complicated issue, the Conference adopted a resolution which records unanimous agreement in favor of the early establishment of a mutually acceptable system of generalized preferences.

It establishes a timetable and an institutional framework for further work, with a view to settling the details in the course of 1969 and implementing the agreed scheme as soon as possible thereafter.

The Conference was unable to reach agreement on a number of important issues, however, such as the products to be covered by preferential treatment; the extent of preferential tariff reduction; provisions to safeguard producers in developed countries from serious injury; and the treatment of existing preferences which some developed countries have in the markets of some developing countries. These matters will be studied further over the coming months.

Commodities

The major UNCTAD II achievement in the commodity field was agreement on a program of action involving study and consultations on 19 specific commodities:

Cocoa—A cocoa negotiating conference will be reconvened by the end of June, preferably by the end of May, to try once again to remove the remaining stumbling blocks to an international agreement.

Sugar—After noting that the negotiating conference would convene April 17, the recommendation invited UNCTAD Secretary General Raoul Prebisch and governments to do all possible to bring an agreement into operation by Jan. 1, 1969.

Fats and oils—Studies are to be completed by the end of October 1968 on possible solutions to fats and oils problems after which an intergovernmental Consultative Committee will meet to recommend short- and long-term measures to improve the market.

Rubber—The International Rubber Study Group is to continue its review of the natural and synthetic rubber situation and consider further measures as appropriate.

Hard fibers—The secretariat will evaluate the operation of the existing informal understandings on sisal, hene-

quen, and abaca and recommend further steps for achieving market stabilization at equitable prices.

Jute—The study group is to explore urgently the possibility of a buffer stock scheme.

In addition, intergovernmental meetings will be held to examine the problems in bananas, citrus fruit, cotton, tea and wine. The secretariat will also study mica, tobacco, iron ore, manganese ore, pepper, shellac and phosphates and will arrange international consultations as necessary.

Finance

In the field of finance, there was general agreement that the volume of aid to developing countries should be greater. It was not possible to reach agreement about the precise amount of the increase or its composition. But there was general agreement that 1% of the gross national product would be a reasonable "target." Progress toward this target, as the United States and most other major donors pointed out, would be greatly affected by the economic situation of individual countries. Agreement was also reached on guidelines for easing the terms of aid.

The Conference arranged for further work on a proposal to provide supplementary financial measures to assist countries in dealing with the disruption of their development programs caused by shortfalls in their export earning. This proposal raises some difficult and complex problems, but it may be possible to improve upon present arrangements for financing development.

There was agreement that private investment could be of great value in promoting development, particularly in the transfer of technology and management skills. Arrangements will be made for expert inquiry into various aspects of the relations between investors and the governments of the countries in which they invest.

Shipping, insurance and tourism

In the fields of shipping, insurance and tourism the Conference unanimously adopted nine resolutions; seven of the resolutions cover shipping items and the other two deal with insurance and tourism. The Conference also adopted by a majority vote a resolution on international shipping legislation which was opposed by the United States and 18 other developed countries.

The more important provisions of the unanimously adopted shipping resolutions request the developed countries: to assist the developing countries to finance their port improvements; to help them establish their own merchant marines; to finance shipbuilding industries in developing countries; to consider the lowering of ocean freight rates on their traditional exports; and to establish promotional freight rates for their new products.

The resolution on international shipping legislation was opposed by the United States primarily because there are already in existence other international agencies to competently deal with the matter. This resolution recommends that the UNCTAD Shipping Committee establish a working group to study international conventions on such subjects as charter parties, marine insurance and bills of lading.

The resolution also asks the working group to examine the feasibility of drafting a general convention on maritime transportation and development, dealing with international relations in shipping, for the consideration by an international conference to be convened under the auspices of the United Nations.

The unanimously adopted resolution on insurance principally recommends that insurers and reinsurers should provide insurance and reinsurance facilities to developing countries at the lowest cost commensurate with the risks involved. It also recommends that developed countries continue to help the developing countries in encouraging and strengthening their national insurance and reinsurance markets.

The Conference adopted a broadly-based resolution on tourism having as its main objective recognition of tourism as a development industry which should be treated as such in national development planning and in the provision of foreign technical and financial assistance.

It urges consideration of a comprehensive tourism program, covering facilitation, statistics, technical and financial assistance for market research, construction of hotels, provision of tourism infrastructure, and training of personnel in all aspects of tourist promotion and operations. The UNCTAD resolution further raises the possibility of a study of air and maritime fares in relation to the growth of travel to developing countries.

Regional integration

The Conference adopted a useful resolution supporting the economic integration efforts of the developed countries. This agreement provides the basis for a concerted program under which developed countries will assist the economic integration efforts of developing countries through appropriate commercial policies and financial and technical assistance.

The Conference adopted a resolution recording international consensus on the need to accord higher priority to increasing food production in developing countries. It recommends the types of measures which need to be taken by the developing countries, and the forms of assistance required from developed countries and international organizations.

ASIE examinations scheduled for May 25

The American Society of International Executives will hold examinations May 25 for those interested in obtaining its professional rating in foreign trade.

The examinations will be offered in the following categories: certified documentary specialist, certified assistant export manager, qualified export manager, certified international traffic manager.

The examination is scheduled for 9 a.m.-12 noon in the following cities: Atlanta, Baltimore, Boston, Buffalo, Chicago, Cleveland, Dallas, Denver, Detroit, Houston, Indianapolis, Kansas City, Los Angeles, Miami, Milwaukee, Minneapolis, New York, Philadelphia, Pittsburgh, Portland, Ore., Richmond, Rochester, N.Y., St. Louis, San Francisco, Seattle, Toledo, Washington, D.C. and San Juan, P.R.

For further information write the American Society of International Executives, Sheraton Hotel, Secretarial Suite, Philadelphia, Pa. 19103, or telephone Area Code 215/563-8887.

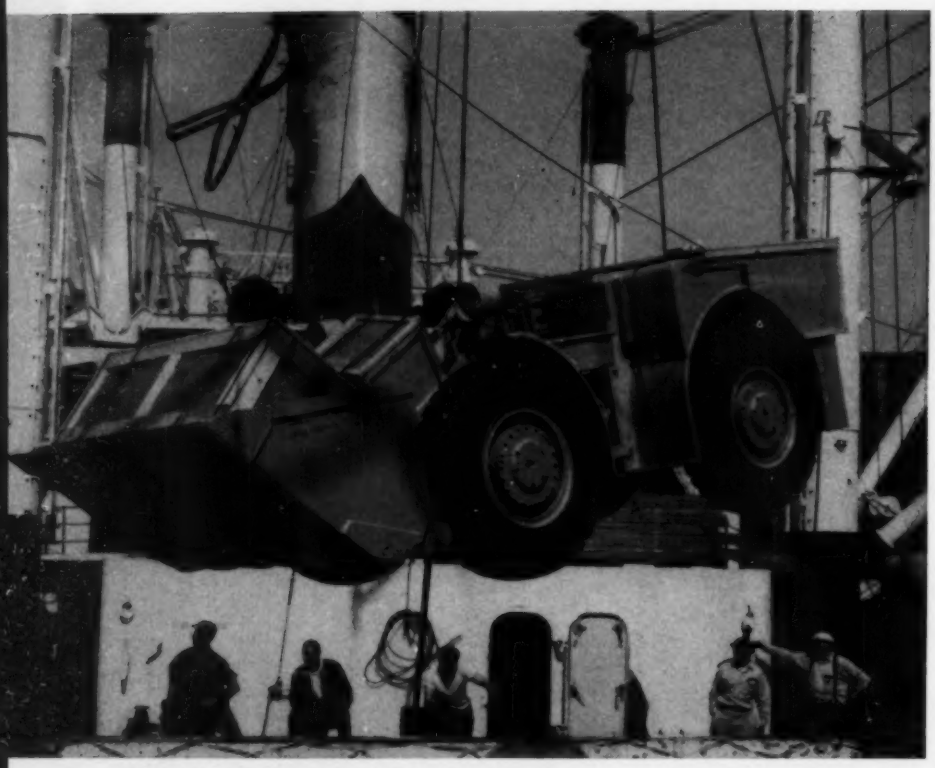
Electronic Assn. schedules Kennedy Round seminar

An Electronic Industries Association international department seminar on the Kennedy Round and the Electronic Industry is scheduled for June 3 in Chicago.

Principal speakers will be W. Michael Blumenthal, president of Bendix International and leader of the U.S. delegation during the Kennedy Round, and Eugene Stewart, who was special counsel for the EIA during the GATT negotiations.

Scheduled for 2 p.m. at the Hotel Ambassador, the seminar will be followed by questions and answers and informal discussion. Registration fee is $10 per person.

For further information, **write:** William T. Ellis, Manager, International Dept., Electronics Industries Assn., 2001 I St. NW., Washington, D.C. 20006.



OREGON WAS THE STATE OF ORIGIN for this manufactured export, a Wagner scoop tram made in Portland, heading for Japan where it will help open a new era for combustion-engine vehicles in underground mining. Oregon is a state leader in other exports: lumber and wood products.

State export records are detailed in new series of BIC publications

Individual reports for each of the 50 States are now available; Illinois is top exporter of both manufactures, farm commodities

Is Michigan really the leading state in exports of transportation equipment? Does Maine provide nearly all of U.S. sardine exports? Is Oregon the top-ranking U.S. state in exports of lumber and wood products? Is North Dakota the leading state in per capita exports of agricultural commodities? Is it possible that Georgia could find foreign buyers for $12 million worth of her famous clay?

The answer to all of these question is yes, according to the recently published series of individual reports on the 50 states' export performances from 1960-66. Published by the Commerce Department's Bureau of International Commerce at five cents apiece, the eight-page reports outline each state's export growth since 1960, and its relative export position among all the states.

Each report consists of:

- A standard introductory text explaining the importance of foreign trade to the U.S. economy;
- A one-page summary of the state's significant export activity in the 1960-66 period;
- A table listing the state's exports of manufactures, by industry group, for 1960, 1963 and 1966; the percentage of change in the value of exports from 1963-66 and 1960-66; the state's percentage of total U.S. exports of these commodities in 1966; and the total value of the state's manufactured production 1965, as well as total state employment in manufacturing in 1965;
- A table of estimated U.S. exports of manufactured goods, by state, for 1960, 1963 and 1966; percentage of change in each state's total, 1963-66 and 1960-66; and each state's 1966 share of the national export total.
- A map of the 50 states, showing the relative size of the value of each state's exports of manufactures in 1966; and
- A table of estimated values of state shares of U.S. exports of agricultural commodities for the 1959-60 and 1965-66 fiscal years; the percentage of change from 1959-60 to 1965-66; the state's percent of total U.S. agricultural exports in 1965-66, and the percent of cash receipts from farm marketings in each state, 1965-66.

Top ranking states

Illinois is in first place as an exporter of both manufactured and agricultural products. New York is second as an exporter of manufactures, while Texas and California are tied for second place as exporters of agricultural commodities.

California is the only state with two of its ports, San Francisco and Los Angeles, in the top ten among export ports. The Port of New York is first and Louisiana's New Orleans is second in shipments abroad. Louisiana is also a leader in sulfur and natural gas, selling more of these items abroad than any other state.

The Rocky Mountain area specializes in minerals, with Wyoming being the top exporter of bentonite, Colorado leading in molybdenum, New Mexico leading in potassium compounds, and Nevada tops in magnesite.

An example of the costs of transport comes from West Virginia's export of bituminous coal. The leading exporter of this commodity, West Virginia shipped to overseas destinations coal that was valued at $186 million when mined. By the time this material left its port of exit it was valued at $349 million. Approximately two-thirds of all U.S. coal exports are shipped through the port of Hampton Roads, Virginia.

Information on the exports of manufactures was based on the *Survey of the Origin of Exports of Manufactured Products 1966*, issued by the Bureau of the Census on Jan. 17. Data on the state shares of agricultural exports were furnished by the Dept. of Agriculture, and the figures were drawn from the Nov. 1966 and Feb. 1967 issues of *Foreign Agricultural Trade of the United States*. Special compilations on minerals and fisheries were provided by the Department of the Interior.

Write for *State Export Report* (specify state), Supt. of Documents, U.S. Government Printing Office, Wash., D.C. 20402.

U.S. fluid power equipment and fluidic components exhibition set for September at Frankfurt

Hydraulic pumps and motors, air motors, gears, fluidic circuits and control devices among items with best sales prospects

Industrial modernization in Germany has created a steadily increasing demand for diversified hydraulic and pneumatic equipment. The need ranges from high-pressure hydraulic pumps to precision seals and gaskets, from valves for nuclear reactors to miniature pneumatic controllers for process instrumentation.

To help U.S. manufacturers give German buyers a first-hand look at the newest American products in this field, the U.S. Department of Commerce will hold an advanced fluid power equipment and fluidic devices exhibition at the U.S. Trade Center in Frankfurt, Sept. 16-20.

Steady market growth

During the past 10 years the German market for fluid-power equipment has shown a steady 12% annual increase, and the rate of growth during the next five years is expected to be even greater. Even the recent German economic recession did not slow the demand.

A market survey conducted in Germany shows there are prospects for increased applications of hydraulic and pneumatic equipment in broad segments of German industries. Some of the product categories in significant demand are hydraulic pumps and motors, air motors, hydraulic gears for special applications, hydraulic and pneumatic cylinders and valves, connections-packings-flow lines, hydraulic and magnetic filters, pneumatic tool specialties, components for fluidic control circuits, fluid circuit accessories, fluid control systems, and complete systems in compressed-air lubrication, miniaturized hydraulics, sophisticated pneumatics and hydraulics, and electronic devices for simplification purposes.

U.S. manufacturers in the September exhibition will benefit from a market promotion campaign to ensure the attendance of important buyers and prospects. The Trade Center also will provide agency-finding service for firms not now represented in the market.

U.S. makers of fluid-power equipment found solid interest in their products at a Commerce-sponsored exhibition at the International Hydraulic and Pneumatic Machine Fair in Tokyo last October. Thirty-three U.S. exhibitors reported $341,000 in immediate sales during the show, and forecast an additional $2.9 million in sales for the year following the exhibition. Seven firms appointed agents during the show.

U.S. hydraulic and pneumatic equipment firms interested in participating in the September exhibition at the Frankfurt Trade Center may obtain more information from the U.S. Department of Commerce (BIC-928), Washington, D.C. 20230 (telephone: area code 202-967-3966), or from any of the Department's 42 Field Offices.

MACEF housewares fair set for early September in Milan

Milan Fair authorities have announced plans to hold the fifth in that city's series of International Houseware, Glassware, Ceramics, Hardware, and Tools Exhibitions, scheduled this year for Sept. 7-10.

The fair, dubbed "MACEF," will feature metal, plastic, and wooden household articles; cutlery and cutting tools; crystalware, glass, ceramics, pottery, and earthenware; gift articles; electric household appliances; hardware, tools, locks, shop and store fittings; and garden equipment.

U.S. manufacturers in any of these product lines have been invited to participate in the exhibition. The fair is a good vehicle for increasing sales in the Italian market and attracting potential agents for permanent representation of U.S. products.

The 1967 edition of MACEF had 1,057 exhibits, and was attended by 38,084 visitors, of whom 4,213 were from outside Italy, according to the fair management.

Write: MACEF, via Solferino 25, Milan, Italy.

Trieste Fair exhibits to show consumer goods, machinery

American manufacturers of consumer goods will have the opportunity to exhibit their wares at the 20th Trieste International Trade Samples Fair to be held from June 21 to July 5. This year's fair will acquire more than usual importance, since the 50th anniversary of the transfer of Trieste to Italy is being widely celebrated in the city throughout 1968.

The general commodity sectors around which the trade fair is to be organized are as follows: Consumer goods, including household appliances, food products, mechanical equipment and machinery, and handicrafts.

Sectors which should be of particular interest to American exporters this year are:

Lumber, including logs, planks, veneers, plywood, fiber paneling, parquet, and packaging products;

Toys and games, sporting goods, sportswear, and compact shop tools.

Interested firms still have time to have their local agents contact the U.S. Consulate in Trieste, which plans to operate a business information center at the fair this year.

Agents for U.S. machinery firms invited to Milan show

A new feature—an exhibit of precision mechanical equipment organized by the Italian Optical and Precision Mechanics Industrial Association—will be part of the Sixth Italian Biennial Machine Tool Show, scheduled for Oct. 6-13 in Milan.

U.S. firms with local distributors or agents already established in the market have been invited to participate in the exhibition, which is limited to Italian companies.

The last edition of the show, in 1966, had 626 exhibitors, including displays of the products of 66 American manufacturers. Attendance totaled over 50,000 at that fair.

Product areas announced for the show include: machine tools for working metal, wood, and other products; unit heads, transfers, and automatic machines; high precision instruments and mechanical parts; hydraulic, pneumatic, electric, and electronic control equipment for machine tools; foundry machinery and equipment; welding machines; and heat treating equipment.

Write: Machine Tool Manufacturers' Association, Corso Matteotti 11, Milan, Italy.

Security equipment makes German sales at Frankfurt Center

New-to-market firms name four new agents; negotiations on for 62 more

Thirteen U.S. manufacturers stepped into the German market for the first time at an exhibition of industrial security equipment and devices at the U.S. Trade Center in Frankfurt, held Apr. 22-26, developing new business contacts and agency leads.

The total of 24 companies participating in the exhibition recorded sales of $331,675 off-the-floor, and predicted over $2.6 million in sales over the next twelve months as a result of the show.

Four German agents were appointed during the show, and 62 distributorships and agency contracts are being negotiated in 11 other European countries.

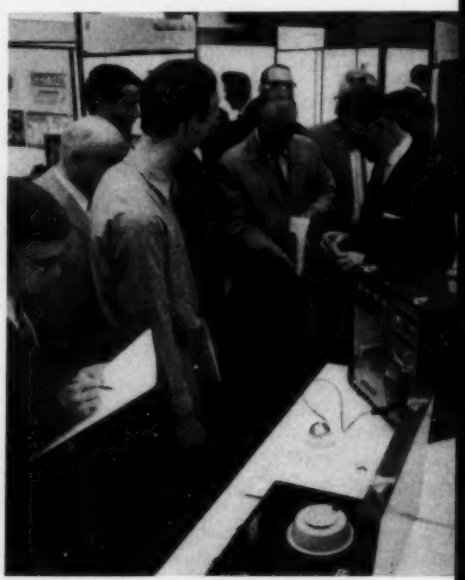
Exhibitors reported visitor comment that even though similar products are made in Europe, the local versions just do not measure up to the technological standards of the U.S. equipment on display.

Excellent immediate sales results and predictions for orders over the next twelve months were received from ITT-Mackay Marine, and many other exhibitors reported encouraging initial sales results. Only two of the exhibitors polled felt that they had failed to achieve their objective at the show.

Attendance totaled 847, with 813 of these registered as interested trade representatives. Approximately 10% of the visitors came from outside Germany, including a group visit of Swedish businessmen, representing three leading Swedish banks. Other foreign delegations came from Spain, Belgium, and France.

All exhibitors were highly pleased with the success of the show, as measured in terms of sales, new contracts, and particularly by the excellent quality of the visitors. Most of the participants agreed that the U.S. Trade Center show was as effective or more so than similar shows in the United States. Once appropriate distributorships have been established, show participants predict that they can make a sizeable dollar penetration of the European market. Many of the companies expressed a desire to participate in a similar exhibit if scheduled 12 to 18 months from now.

IDENTIFICATION SYSTEM by Polaroid Corp. (above) was used to make sample cards for visitors to the show. Hot process laminating press (below left) drew buyers to the booth of Harco Industries, Inc.



ULTRASONIC INTRUSION DETECTORS, other security devices were shown (above right) by Walter Kidde & Co. Smith & Wesson booth (below) featured handguns, tear gas, and Mace chemical spray.

First South African Building Exhibition is set for August

The South African Building Exhibition, billed by its organizers as the first specialized building exhibition ever in the Republic of South Africa, has been set for Aug. 21-29. Aimed specially at the building trade, the show will focus on building and heating equipment and materials, as well as heavy construction equipment.

The available exhibit space will be divided into several distinct product areas, with all displays of one particular product conveniently located in the same vicinity to save time for the potential buyer.

U.S. companies interested in entering the South African market with building products or strengthening their position in that area will have an ideal opportunity to exhibit their goods to a large cross-section of architects, engineers, contractors, wholesalers, agents and distributors, and government personnel at the show.

Write: Manager, South African Building Trades Exhibition, 11 Manchester Square, London W.1, England.

Medical conference, exhibit set for August in Malaysia

Exhibits of medical equipment, medical textbooks, and teaching materials will be included in the International Medical Exhibition planned for Kuala Lumpur, Malaysia, from Aug. 5-9. The exhibition will coincide with the opening of the University of Malaya's new hospital and with a special Conference on Medical Education called to honor the new hospital.

Extensive programs are under way in Malaysia to expand and improve existing medical facilities and to build new ones. U.S. firms in the medical equipment and education fields can gain a foothold in the area by showing their products at the Kuala Lumpur exhibition.

All important members of the Malaysian medical profession are expected to attend the conference, as are many foreign specialists.

Write: Professor T. J. Danaraj, Dean, Faculty of Medicine, University of Malaya, Kuala Lumpur, Malaysia.

International exhibits sought for Japan woodworking fair

International participation in the 1968 Nagoya Woodworking Machinery and Equipment Fair is being actively solicited by the exhibition organizers, the Chubu Woodworking Machinery Manufacturers' Association. The fair will be held from Oct. 6-13.

U.S. makers of equipment in the woodworking field have been especially invited to display and demonstrate their latest products to the Japanese industry.

The 1967 show featured 20 foreign exhibitors from Germany, the United Kingdom, and the Netherlands, and the fair managers look for further expansion of the fair each year. They hope that the fair will reach truly important international status by 1970.

Write: Yuzo Naito, Secretary-General, Nagoya Woodworking Machinery and Equipment Fair, Nagoya, Japan.

Textiles, fashions to be shown at fall exhibit in Belgrade

"Fashion in the World" will be the theme for the annual International Clothing Fair in Belgrade, Yugoslavia, scheduled for Oct. 12-20. Textile experts and fashion designers from around the world have been invited to submit exhibits for the showing.

Special exhibits, symposiums, and consultations will be held during the exhibition for the benefit of trade representatives in attendance.

Product groups to be shown include textiles (both finished and semi-finished), clothing accessories (hats, gloves, etc.), leather, furs, clothing trimmings, native costumes, and grooming aids. Materials on display may be from both natural and synthetic fabrics.

Closing date for registration of exhibitors is June 1.

Swedish Teenage Fair offers opportunities for U.S. apparel

U.S. textile firms and apparel manufacturers have been invited to participate in the second edition of the Swedish Teenage Fair, scheduled for Nov. 1-10, in Stockholm.

The first such show was held in November, 1967, showing the products of over 200 exhibitors, including three American firms. Over 47,000 persons attended this fair, according to the managing organization.

Sales results were considered good at the first fair, and with no similar shows scheduled for the U.S. Trade Center in Stockholm during this year, the Teenage Fair appears to be an excellent opportunity to introduce new U.S. clothing products to the Scandinavian market, according to U.S. commercial officers in Sweden.

Write: Teenage Fair, AB, Tradgardsgatan 5, Goteborg C, Sweden.

EXHIBITION BRIEFS *WORLDWIDE*

Briefs are condensed from the reports of U.S. commercial officers on the spot. They are meant to stimulate investigation of likely markets and to show the scope of opportunities for U.S. product demonstrations and sales. The full reports are available.

Write: Office of International Trade Promotion (BIC-922), U.S. Department of Commerce, Washington, D.C. 20230.

INTERNATIONAL MEN'S AND BOYS' WEAR EXHIBITION, "IMBEX '68", LONDON, Feb. 26-Mar. 1. 308 exhibitors, 77 from outside the United Kingdom, a 15% increase in participation. Three direct U.S. exhibitors, in addition to several subsidiaries of American firms. Attendance (trade only) 13,179, including 902 overseas buyers from 56 countries. Foreign buyers up 10% over 1967, accounting for many orders taken. Next IMBEX, Feb. 24-28, 1969.

INTERNATIONAL AGRICULTURAL MACHINERY EXHIBITION, PARIS, Mar. 5-10. 835 exhibitors, including 62 foreign, showed 2,300 brands of products. Participation down considerably from 1967, but U.S. representation up from 127 firms to 162. Visitors totaled 650,000, up by 8% from last year's show. Next exhibition set for March 1969, with exact dates not set yet.

INTERNATIONAL SOUND FESTIVAL, PARIS, Mar. 7-12. 140 exhibitors, including 100 foreign ones from 12 countries. 24 U.S. firms represented, up from 17 last year. Show was held in 200 specially arranged hotel rooms designed to duplicate home listening settings. Visitors reached 60,000. Exhibitors of U.S. products say sales of sound equipment are increasing rapidly in France, with good sales and licensing opportunities present. Next festival, March 1969, with no exact date available yet.

INTERNATIONAL TOY FAIR, SYDNEY, AUSTRALIA, Mar. 18-21. Over 120 exhibitors, representing manufacturers from Australia and ten other countries. U.S. makers represented by 26 local firms. Best sales potential for U.S. toy manufacturers is in the educational and sophisticated toy field, according to U.S. Embassy reports. Next fair tentatively set for Mar. 16-20, 1969, timed to allow executives to take a round-the-world trip and attend the New York, Nuremberg, and Sydney toy shows.

Worldwide Business Outlook pages 12-37

CURRENT BUSINESS DEVELOPMENTS IN BRIEF: The overall budget of the Centre National de la Recherche Scientifique, principal **French** Government organization for basic and early applied research, increased by 17% in 1966 to 526 million francs ($105 million). The CNRS employed approximately 5,000 researchers and 7,000 technicians in 1966. Sixty "associated laboratories" were created in 1966 and 47 in 1967. One hundred and ten programmed cooperative research projects were carried out in 1966. . . . Deutsch-Suedamerikanische Bank A.G., of Hamburg, a subsidiary of Dresdner Bank A.G., the second-biggest bank in the Federal Republic of **Germany**, and the Chase Manhattan group have jointly acquired a participation in the Banco del Comercio at Bogota, **Colombia**. . . . Farbwerke Hoechst A.G., of Frankfurt (Main), **Germany** is now producing its polyester fiber Trevira in the United States. Production was taken up recently at a factory in Spartanburg, S.C., which is operated by the Hystron Fibers Inc., a joint subsidiary of Hoechst and the American Hercules Inc., of Wilmington, Del. . . . **Italian** motor vehicle production during the first two months of 1968 increased 3% compared with the same period of 1967, while motor vehicle exports expanded y 43%. Industrial production in the first two months of this year showed a gain of 5.9% over the similar 1967 period. . . . Preliminary data indicate that **Spain's** imports fell nearly 3.5% in the first quarter of 1968 (the Peseta was devalued in November from 60 to 70 per dollar) to $853.6 million; Spain's imports from the United States rose 9.3% to $161.8 million, accounting for 19% of the total. During the same period, Spain's exports rose 10.8% to $385.2 million; Spain's exports to the United States rose 39% to $60.4 million and accounted for 15.7% of the total.

Japan economy cools off

Government restraints expected to result in balance of payments equilibrium

The key factors in the Japanese economic picture for 1968 are the restraint program to cool off the domestic economy, rising economic growth rates in the United States and Europe, and the worldwide impact and implications of sterling devaluation, international gold and monetary developments and the U.S. balance-of-payments program.

An end of the fighting in Viet-Nam would not be expected to affect U.S.-Japan transactions substantially and, unless unexpectedly restrictive U.S. trade legislation is enacted, there should be little overall impact on U.S.-Japanese transactions from these special factors.

These are the most significant conclusions of the recent Economic Trends Report submitted by the U.S. Embassy in Tokyo.

The Japanese economy has been growing at a rapid rate, far above those of its trading partners. The latest official estimate is that nominal GNP rose by 16.4% during Japanese fiscal year 1967 (ended Mar. 31, 1968), or by 11.6% in real terms. Consumer prices are estimated to have increased by about 4½% and wholesale prices by about 1½%.

However, the vital export price index, which reflects the international competitiveness of Japanese industry, has continued its remarkable lack of upward movement demonstrated over the past 10 years.

A fairly high level of economic activity in the United States, coupled with a slackening of the Japanese economic pace, will mean an increased and possibly record Japanese surplus in bilateral trade with the United States. Japanese production of steel, automobiles, and synthetic textiles, all leading exports, is booming. Leading automobile manufacturers anticipate rapid growth in sales to the U.S.

With the prospect of reduced growth in aggregate domestic demand, as well as in response to the official export promotion drive, Japanese producers are likely to turn more and more to export markets, and to the U.S. market in particular, in order to maintain sales.

United States exports to Japan are expected to expand only moderately, since a high proportion of U.S. exports to Japan are oriented toward the industrial investment sector, which will be most affected by the government's restraint program. U.S. agricultural exports will continue at high levels.

Bare start made

The last Economic Trends Report discussed a 'bare' start at capital liberalization in Japan. Under the program instituted last July 1, foreign investment in new Japanese enterprises was to be permitted in two categories of 'liberalized' industries (as high as 50% foreign ownership in Class I, up to 100% ownership in Class II). Thirty-three industries were initially placed in Class I and seventeen in Class II.

The Report noted that, as a practical matter, this was a small step: government approval would still be required in the liberalized industries, and the industries so far liberalized appear to have little attraction for foreign investors. This is borne out by the fact that there has been only one Class I joint venture validated since liberalization and no Class II activity at all.

Little progress in the area of capital liberalization can be reported at this time. The restricted list has not been reduced and the limitations on foreign portfolio investment in existing enterprises remain unchanged. Moreover, retrogressive steps

Spotlight on Far East

INTERNATIONAL COMMERCE is reflecting the new emphasis on Far Eastern markets with Economic Trends Reports on Hong Kong, Indonesia, Japan, Malaysia and Singapore in this week's issue. The April 29 issue carried a special report on the Australian market, as well as stories on the Korean and Philippine economic outlook. Next week's issue is scheduled to contain a series of stories built around the United States' signing of a trade treaty with Thailand.

have recently been taken by Japan's largest automobile manufacturer and the Nagoya stock exchange to limit foreign investor control and discourage foreign participation in management.

In addition, the Fair Trade Commission, beginning in the near future, is expected to begin exercising its right of review of new international licensing agreements approved by the Foreign Investment Council. This means another layer of Government authority for the approval of license arrangements, and closer attention to possible violations of anti-monopoly law such as limits on marketing areas, specification of parts to be used, prices and sales quotas.

The Ministry of International Trade and Industry (MITI) is shortly to consider the second phase of the liberalization program. It is reported that investments in heavy electrical machinery and consumer distribution industries are high on MITI's list for liberalization. However, a "wait-and-see" attitude is clearly advisable.

Until Japan is compelled by circumstances to open up its markets and industries to international competition, rather than reserving them as a national policy for Japanese businessmen, very little real progress can be expected in the field of capital liberalization.

The Japanese Government, faced with possible overheating of the economy and a steadily worsening balance-of-payments situation, began tightening the domestic economy in the summer of 1967. There was an increase in the central bank discount rate on Sept. 1, imposition of a voluntary ceiling on city bank loans, and increased official efforts to persuade the private investment sector to revise its expansion plans downward.

The proposed budget for fiscal 1968, which is designed to have a neutral economic impact, reflects the government's desire to moderate the pace of economic growth.

The recent gold crisis has strengthened the government's determination to safeguard Japan's external accounts by exercising restraint in domestic economic policies.

JAPAN HAS MADE A TOKEN START toward liberalizing its investment climate, but very little real progress has been made. Above, the Sumitomo Metal Industries plant at Wakayama.

Payments balance due

Japan's balance of payments was in deficit by $571 million in calendar year 1967. This was the result of a large deterioration on trade account, reflecting boom conditions at home and stagnant or only slowly growing export markets in many of Japan's trading partners.

With the prospect of real GNP growth in the United States and Europe of about 4 and 4½%, respectively, the planned slowdown in Japanese economic activity will come at a time when the economic pace is picking up notably in Japan's major trading partners, and the official forecast is that Japan will raise its trade surplus to about $2 billion in fiscal 1968 (an improvement of $800 million over estimated 1967 results). As a result, by year-end, the Japanese balance of payments is expected to reach equilibrium.

Moderate growth expected

The monetary and fiscal measures outlined above have changed the economic situation significantly since the end of December, producing an outlook for more moderate growth in the next twelve months.

The Government's policies are designed to slow the rate of growth in GNP from an estimated 16.4% in fiscal 1967 to 12.1% in 1968, or in real terms, from 11.6% to 7.6%.

The return to a more moderate rate of economic growth, by keeping demand for imports from rising too quickly and by enhancing export potential, is expected to be a key factor in the predicted attainment of balance-of-payments equilibrium during the latter part of this year.

The impact of the restrictive program will fall mainly on the private investment sector. Private consumption is expected to remain strong in fiscal 1968, increasing by 14%, only slightly below the growth rate of 15.2% estimated for fiscal 1967. Activity in the retail sales and consumer service industries should continue at a high level.

The prospects for dampened business activity and restricted access to funds, as well as a currently high inventory/sales ratio, are expected to stimulate a sharp downward inventory adjustment in 1968. In contrast to growth of slightly under 28% in fiscal 1967, new plant and equipment investment is expected to rise by only 9.7% in fiscal 1968.

Although the current business atmosphere is decidedly cautious, first signs that the restraint program is taking hold have only recently become evident. Corporate liquidity has declined in recent months. Interest rates have begun to rise, and businesses have been actively seeking funds in Japan and abroad as the monetary restraints begin to take hold.

As part of the long-range trend, labor is expected to continue in short supply. Labor is judged to be a continuing plus factor in Japanese international competitiveness in most fields, despite wage rises averaging above 10% per annum.

Malaysia adds world ties

Seeks further export markets to counter depressed world prices for top exports

The intense export promotion effort stimulated by rubber price developments has increased Malaysia's readiness to expand trade ties with the Soviet Union, Communist China, and Eastern Europe, which are considered better future sales prospects for natural rubber than Western countries.

The effort to cultivate trade ties with the Soviet Union has contributed to closer relations leading to the establishment of a Soviet Embassy in Kuala Lumpur, trips to the USSR by Malaysian officials, and evidence of Soviet interest in technical assistance to Malaysia. The avowed Malaysian wish to increase sales to Mainland China, on the other hand, is not known to have prompted closer relations with that country.

According to 1966 trade figures the United States was the fifth largest supplier of Malaysian imports, ranking behind the UK, Japan, Singapore, and Mainland China.

Over the years the value of U.S.-origin imports has grown at about the same rate as total imports. Those countries that offer vigorously price-competitive lines—notably Japan and Mainland China—have increased their sales at a more rapid rate.

Mainland China's cheap exports might have increased more rapidly were it not for high specific duties on a number of former imports now being produced in Malaysia. The U.K., while still dominating the market, has failed to increase her exports to Malaysia as fast as the competition.

Although a small market in terms of population, Malaysia enjoys a relatively high per capita income and generates a respectable demand for imports. Her existing industry and expanding development programs tend to focus sales prospects on machinery and equipment, particularly in transportation, earthmoving, and agricultural lines.

Opportunities also exist for firms providing technical services such as economic surveys, educational materials and devices, and agricultural studies. Current projects in regional transport and communications are likely to generate future sales opportunities.

The continuing importance of rubber and tin in the Malaysian economy make it certain the U.S. policies affecting world trade in these commodities will continue to be very important in setting the tone of our bilateral relations.

Also, Malaysia is deeply interested in trade liberalization programs put forth in the United Nations Conference on Trade and Development (UNCTAD), and may be expected to support vigorously the demands for tariff preferences for exports of less developed countries, reduction of trade barriers affecting exports of special interest to them, compensatory financing schemes to aid countries suffering from declines in the prices of their exports, and international agreements to stabilize the prices of primary commodities.

The overall balance of payments in 1967, including both current and capital accounts, ended in deficit by $80.7 million. This in part reflects special circumstances which are not expected to recur —such as the redemption of $60 million worth of Malaysian Treasury Bills from banks in Singapore.

Some more persistent conditions also play a part. There is little likelihood of a significant price recovery in rubber. The inflow of private long-term capital, estimated at $44.1 million in 1967, appears to be on a declining trend, and the withdrawal of British forces will curtail a source of foreign exchange.

Malaysia's gold and foreign exchange reserves continue at a substantial level: at year's end the net reserve position amounted to $642 million, the value of about eight months' imports, of which $624 million was held by government authorities and $18 million by the banking system. A decline of $99.7 million in the fourth quarter of the year reflected the erosion of reserves due to the November devaluation of sterling.

The value of Malaysian manufactures grew by 13% in 1967, still accounting for less than 11% of total GNP. Production of rice is responding to a vigorous coordinated program, aimed at sharp output increases. Electricity, transport, and communications industries in West Malaysia are expanding at a faster rate than the general economy.

Progress is being made in import-saving production, rice being the most important example. Manufacturing and services, also oriented toward import substitution, are almost exclusively the domain of the private sector, the Government's role being to provide an attractive business environment.

Out of total Malaysian production of goods and services amounting to $3,105 million in 1967, exports accounted for $1,358 million, and of aggregate demand amounting to $3,028 million, imports accounted for $1,083 million.

The prices of Malaysian exports thus play a large part in determining incomes, savings, investment, business expectations, and Government revenues.

As the value of exports fell by 3.2% in 1967 from the previous year's level, imports of consumer and investment goods declined by 2%. Estimates for 1967 show a decline of 4.3% in the rate of private capital formation. Public capital formation increased by only about 2.3%.

A rising urban unemployment level estimated to be about 10% and a serious problem of rural underemployment require increased economic development activity even at a time of fiscal stress.

By circumstances and policy Malaysia enjoys a stable monetary situation. Her currency, officially pegged at the equivalent of M$3.06=US$1.00 like Singapore and Brunei dollars, circulates as customary tender in the other two countries under a par interchangeability agreement.

Price stability has in recent history

U.S. goods esteemed

Goods of United States manufacture enjoy an excellent reputation in Malaysia and are better known than the rather modest trade statistics would indicate. Some American lines have equal and perhaps — in the consumer field — even greater appeal than some long-established competing ones.

Those that can compete in terms of price or can demonstrate convincing technical superiority enjoy a good market here. A stringent international tendering procedure is generally invoked in sales to Government.

been greater in Malaysia than in the United States and other developed countries, but in 1967 the consumer index jumped 4.3 points to 108 (base: 1959=100), principally because of an increase in the price of rice and other foodstuffs.

A relative absence of trade barriers and exchange controls facilitates adjustments to domestic demand, minimizing price fluctuations. Import duties are used principally to protect new industries.

Money supply (which contracted in 1967) and credit availability are considered adequate for the needs of commerce and industry. The public debt, amounting to $1,148 million at the end of 1967, was composed of $169 million in foreign obligations and $979 million in domestic obligations of which nearly all is held by pension and welfare funds.

Preliminary official figures show Malaysia's gross national product (GNP) in 1967 as $3,105 million at market prices, an increase of only 2.8% over 1966. These figures understate the increase in the physical volume of Malaysian output to the extent that they reflect price declines in rubber, tin, and palm oil. Thus, GNP in real terms rose by 5.8%.

Rubber output expanded by 2.1% in terms of tonnage (a smaller than normal increase attributable to price disincentives and weather conditions), while export receipts from rubber declined by 13.5% because of a 17% decline in world prices. Volume of tin exports rose by 2.8%, while receipts from tin exports declined by 4.6%, the result of a 7.2% decline in average f.o.b. unit value.

While both Malaysia and Singapore favor their own economic objectives, there is little desire to pursue them to the point where the economic cost is prohibitive. The recent discussions on coordinated defense measures and the reversal of "Operation Swap," whereby citizens and residents of one country holding work permits in the other were to be replaced by citizens and residents of the host country, hold promise that greater cooperation between the two governments may mark their relations during the coming year.

IN KUALA LUMPUR, U.S. goods are popular. Above, prospective customer shops at Chartirmall, Ltd.

World Bank support has been secured for the agricultural development of the 300,000-acre Jengka Triangle project in Pahang. Similar projects in Johore and lower Pahang involving several million acres are in early planning stages. These forest utilization and agricultural development schemes will probably be open to private foreign and domestic investors.

Disappointing collections from taxes on rubber and tin, together with a shortfall in expected foreign aid receipts, has compelled the government to seek other financing sources for its development programs.

Lower export duty collections are being offset by increased emphasis on excises; income and development taxes have been stiffened to compensate for losses in tax receipts from less profitable tin and rubber industries.

The Finance Minister has said that further tax increases would be resisted because of possible disincentives to business, and that tax law changes would henceforth be directed toward removing inequities, continuing integration of the country, and further transition from customs duties to excises.

In consequence of tax increases which became effective for the most part in 1967, current revenues for the first two years of the First Malaysia Plan have exceeded Plan expectations by an estimated $138 million, despite loss of revenues derived from the rubber and tin industries.

The current budget for 1968, by dint of painful pruning, is in balance with tax receipts at a level of $615 million. The development budget of $222 million is in defiicit by $202 million, to be financed by borrowing and foreign assistance.

While the amount of foreign official assistance has fallen short of expectations, the Malaysian Government has, on the strength of its sound debt structure and balance of payments, enjoyed good success in raising funds on the international capital market.

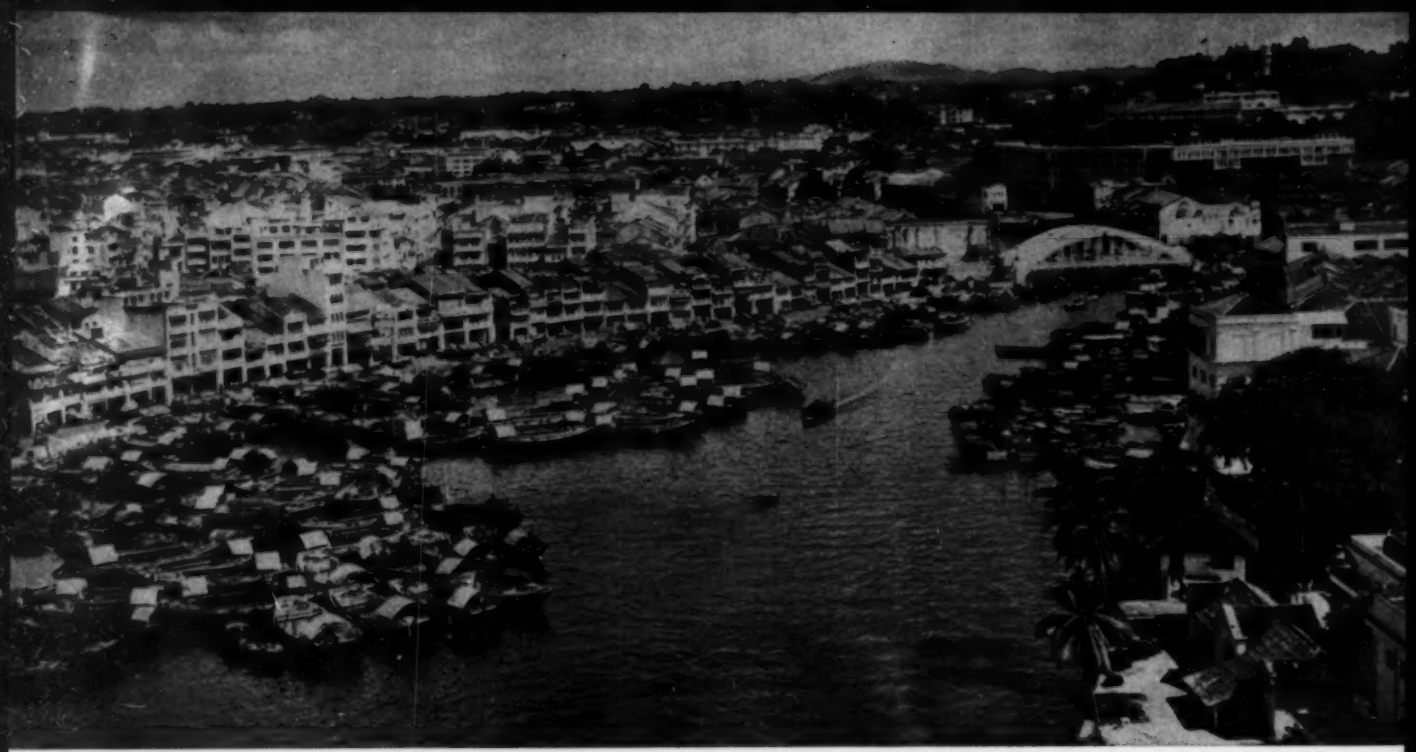
Government policy encourages private investment, both foreign and domestic. The commitment to financial stability and availability of foreign exchange for repatriation of earnings and capital are attractive to foreign investors. An advisory service, the Federal Industrial Development Administration (FIDA), guides potential investors to profitable opportunities, business connections, and sources of finance.

Investment incentive legislation passed early in 1968 broadened existing concessions to pioneer industries, involving tax holidays and carryover of losses during the pioneer period to taxable years.

Enterprises which do not have pioneer status may in certain cases still claim a tax credit for portions of their investment. There are further incentives to encourage utilization of local materials, exports, and export-promotion activity. Customs integration of all the regions of Malaysia continues.

Price-conscious

Both Government and private buyers of industrial and other nonconsumer goods in Malaysia tend to be very price conscious, and are heavily influenced by attractive financial terms. Many of the familiar American types of machinery and equipment are supplied at competitive prices by subsidiaries or licensees of American firms operating in Japan, Australia, or the U.K.



NEW SHIPBUILDING AND CARGO HANDLING FACILITIES are planned to handle Singapore's growing volume of foreign trade. Singapore River is shown.

Decline of U.K. trade influence in Singapore opens way for U.S. to improve position as supplier

U.S. firms already have found country an excellent regional distribution center; market for our consumer goods expanding

Singapore's imports and exports, the lifeblood of the country's entrepot economy, are maintaining a steady growth trend.

Figures for 1967, which do not include trade with Indonesia, exceeded those of the preconfrontation years which included Indonesia as a principal trading partner, according to the latest Economic Trends Report from the U.S. Embassy in Singapore.

The continued increase in Singapore's imports and exports confirms the pre-eminence of this port as an entrepot trade center. Many U.S. firms have already found it an excellent regional distribution center from which to serve markets from the Malaysia-Singapore-Indonesia complex to much larger areas such as that supplied from Caterpillar's computerized parts distribution center, which reaches north to Korea, south to New Zealand and west to Pakistan. It is not unrealistic to think in terms of the ASEAN (Association of South East Asian Nations) countries—Indonesia, Malaysia, Philippines, Singapore, Thailand—plus, for the longer term, Vietnam, Cambodia and Burma: a total market of about 250 million people.

A number of additional U.S. and other foreign firms in the machinery, chemicals and publishing fields are planning sophisticated regional distribution facilities in Singapore, to take advantage of its free port status, its experienced commercial and financial infrastructure and its present and potential capacity to handle containerized cargo both by sea and by air.

Moreover, as Singapore's own standard of living goes up, the domestic market for U.S. consumer goods is expanding, and a more concerted sales effort here by U.S. firms could pay off in substantially increased sales. As the British presence here declines, so will the traditional preference for British products, leaving more room for quality U.S. goods—although competition against Japanese products will not be easy.

Singapore's need to attract foreign investment to generate new jobs, coupled with the pragmatism and resourcefulness of its Government has produced an atmosphere in which U.S. investment is not only welcome—it is actively sought by the Economic Development Board (with offices at 745 Fifth Avenue, New York City, and at Wells Fargo Building, San Francisco).

The red carpet is out— especially to manufacturers who plan to export their products from Singapore, rather than counting on this country's limited local market, and to those interested in establishing here labor-intensive manufacturing or assembly operations in connection with production of electronic or other sophisticated products to be reexported.

In the context of U.S. balance of payments restraints, local investment capital

is available in Singapore from both official and private sources to enter into joint ventures with U.S. firms.

The attractions Singapore offers to U.S. visitors are not limited to short-term tourism—although it will offer attractive possibilities for tour groups, conferences and conventions as the hotel situation improves.

In addition, an increasing number of U.S. citizens are discovering the advantages of residence here, particularly as a site for regional offices, or for dependent families of bread-winners working in Viet-Nam or other areas unattractive for families.

The Government of Singapore recognizes the contribution foreign residents make to the economy, and is willing to facilitate their stay in various ways.

Booming trade, booming economy

As a significant share of Singapore's economic activity involves the processing, grading, packing and marketing of primary commodities from neighboring countries, and services connected with the distribution within Southeast Asia of the products of more industrialized countries, booming trade means a booming economy.

While neighboring Malaysia continues to account for a predominant share of Singapore's imports and exports, this trade dropped off in 1967, in both absolute and relative terms. Inevitably, Malaysia will continue to lessen its dependence upon Singapore as an entrepot by further developing its own ports and commercial infrastructure, so this important segment of Singapore's trade may be expected to decline fairly steadily. It is doubtful, however, that Malaysia will develop substitute facilities fast enough for this trade to drop off abruptly in the near future.

Trade with Indonesia, Singapore's other natural and traditional trading partner, has recovered substantially from the period of "confrontation" (1963-66) when Indonesia attempted to enforce a complete economic embargo against Malaysia, including Singapore.

Until clearer understandings are reached on arrangements to govern trade between the two countries, official statistics will probably continue to fuzz up this increasingly important trade, but its growth is obvious from the movement of Indonesian freighters in the port and the increased trade through Singapore of rubber and other typical Indonesian products. For example, Singapore's exports of rubber in 1967 exceeded reported availabilities by over 250,000 long tons, which is assumed to equal the unreported imports from Indonesia, and in the last six months the figure has been up to the preconfrontation average of 28,000 to 30,000 tons per month.

On the export side, the Finance Minister has stated that Singapore's exports to Indonesia in 1967 would be close to S$355 million (about US$118 million), which does not seem an unreasonable estimate in the light of sales information of local wholesalers and manufacturers. Moreover, this trade is now of greater economic importance to Singapore than previously because more of the goods shipped to Indonesia are products of Singapore's own factories (for example flour, construction materials, bicycles and textile products). U.S. Embassy personnel believe that this trade will continue to grow in the years ahead, as the Indonesian economy recovers from its chaos of recent years.

In the long run, Indonesia, like Malaysia, will strive to develop its own commercial and industrial infrastructure, but Singapore should continue to play a vital role in Indonesia's economic life for many years ahead, due to advantages such as established trade contacts and processing facilities of internationally accepted reliability.

Exports to South Vietnam have continued at a high level, making that country Singapore's chief export market after Malaysia (and probably Indonesia), although the significance of this trade to Singapore's economy is actually less than it would appear from the figures because a large part of it consists simply of reexported petroleum products. Nevertheless, the nature of much of the trade and of the private channels through which it passes makes it likely that Vietnam will continue as an important market for Singapore's products long after hostilities there are over.

Thus, the near and intermediate term prospects are for the maintenance of a fairly high level of trade, with continuing employment and prosperity for a large segment of the country's population.

Challenging opportunities offered U.S. firms

Distributing its "eggs" among many "baskets", the Government of Singapore is encouraging new investment in manufacturing, shipbuilding and repair, merchant shipping, fishing, tourism and more sophisticated distributive facilities, as well as in urban renewal and other construction projects.

Many of these activities offer challenging opportunities to forward-looking U.S. business firms, which will find in Singapore an unexcelled climate for foreign business.

Shadow over economy

The principal factor which will affect the Singapore economy in the years ahead is the British Government's decision to close out its military, naval and air bases in Singapore and Malaysia by the end of 1971. These bases have assumed considerable importance as employers of labor, purchasers of supplies and services, and a source of foreign exchange income.

Local expenditures of the forces amounted to about US$150 million in 1966, equal to 14% of gross national income, and estimates of the impact of these expenditures on the national income run about 20%. Moreover, without having to spend substantial sums on defense, the Singapore Government has up to now been able to devote most of its budget to social and economic development.

The potential large-scale dismissal of workers will aggravate the economic problem which has caused the greatest continuing concern to the Government of Singapore for most of the past decade—that of providing enough jobs for the growing number of young people who are coming out of schools each year with good education and high expectations. These youths now account for most of the approximately 70,000 persons registered with the Labor Ministry as seeking jobs (about 13% of the labor force), but the number of previously employed workers looking for new jobs will probably increase as activities at the British bases are reduced.

It is typical of Singapore's resourcefulness that the Government and business community have not panicked at the prospect of the British withdrawal, but have set out with determination to find substitute economic activities. Not only has the British Government offered significant aid to ease the transition, but it will leave behind valuable assets, the intelligent use of which can continue to provide economic activity, employment and foreign exchange income.

Examples are excellent real estate (over ten percent of Singapore's area), much of it developed with homes, schools, hospitals, recreation facilities, the largest and best equipped drydocks between Malta and Japan, aircraft maintenance shops and a pool of technically skilled workers.

The Government has set up a new agency which will have primary responsibility for finding solutions to the prob-

STRONG INTEREST IN U.S. GOODS is reflected in the rapt attention which these Singapore businessmen are giving to an automatic continuous welder displayed by the L&B Welding Co. of Oakland, Cal., at a recent Singapore trade show.

lems which the British pull-out will create, and has announced a four-year program of increased public expenditures which in turn should stimulate expanded private investment in the economy.

Industrialization drives ahead

The Singapore Government has for the past eight years been directing its greatest efforts to provide more jobs toward building an industrial base, and these efforts are again bearing fruit, after a rather barren period immediately following separation from Malaysia. Emphasis has been changed from import-substitution industries to export-oriented industries, and exports as well as consumption of Singapore-made products are increasing.

In addition to offering some of the most attractive tax and other incentives available anywhere to new export industries, the Government has succeeded fairly well in holding wage rates in line with productivity, and has been able largely to maintain Singapore's traditional free port status in preference to protection for infant industries which would impair the competitiveness of industry in general.

These efforts are paying off. The number of "pioneer" manufacturing firms (enjoying tax incentives) has risen to 224, of which over 160 are in production. The Jurong Industrial Estate is visibly growing up, with about 120 factories already in production; new plants recently completed include a large sugar mill, feed and grain silos, match, bicycle and electrical appliance factories, while others far along include a large integrated textile mill, a paper conversion plant and two automotive assembly plants. Other new industries include toys, hardware, hair wigs, watches, cutlery and zippers.

While many projects now underway have been under consideration for some time, a number have resulted from last year's communist agitation in Hong Kong which caused a substantial amount of capital to move from Hong Kong to Singapore. The flow of Hong Kong capital and technical know-how has been spurred by special residence and citizenship incentives offered by the Government of Singapore to "immigrants" who arrive with large sums of money and/or manufacturing or entrepreneurial talent to invest.

Singapore looks seaward

A "Careers at Sea" exhibition sponsored by the Singapore Government in September 1967 pinpointed one of the directions this island republic will be looking in the next few years for increasing economic activity. Port operations employ a large segment of the working population, and shipping through the port reached a record level in 1967 in spite of temporary disruptions of schedules resulting from the Suez Canal closure.

While it has not been uncommon for Singapore seamen to work on ships of other countries, particularly Scandinavian, Singapore is now stressing a build-up of its own merchant marine. An important development has been the inauguration of a new international shipping line to operate solely with Singapore-registered ships manned by local crews. Meanwhile, officials are studying Liberian and Panamanian examples to see what new job possibilities for local seamen might be opened up by encouraging Singapore ship registry as a "flag of convenience." At the end of 1967, 303 ships, totaling 125,385 tons, reportedly were under Singapore registration.

One of Singapore's fastest growing industries is shipbuilding and repair, presently involving around 30 firms employing about 10,000 workers, whose business in 1967 was estimated at about US$23 million. With most shipyards operating at near capacity, the Jurong Shipyards Ltd., has begun construction of a new dry-dock to accommodate ships of up to 200,000 dead-weight tons, and the large Japanese firm which is a partner in that shipyard is already planning a new shipbuilding venture here.

A new container-handling section of the port under construction will enable Singapore to keep up with the trend and to lend itself particularly to regional distribution facilities supplied by container shipments.

Even more important, for the long run, plans are far advanced for commercialization of the British Naval dockyard, which will be turned over to the Singapore Government and operated under contract by a large British shipbuilding firm. By 1969 this facility is expected to be handling private business in addition to ships of the Royal Navy.

The commercial fishing industry is virtually unexploited thus far by Singapore, with local catch supplying only a fraction of domestic consumption. The Economic Development Board is encouraging new joint ventures, involving Taiwanese and South Korean partners, which will catch and process seafood not only for Singapore's needs but also for export.

Another industry being expanded is the breeding of tropical fish for the world's collectors.

"Instant Asia"

A beefed-up Government Tourist Promotion Board, in collaboration with an active private industry Tourist Association, is working hard on immediate and longer-term programs to make tourism another major industry. In addition to offering a sampling of diverse Chinese, Indian, Malay and other cultures in one easily accessible metropolis—"Instant Asia" in tourist promotion literature—Singapore could also be a comfortable and convenient hub from which a traveler could visit Bali, Angkor Wat, Bangkok, India and other regional attractions. As these possibilities have been slow in attracting official attention, and hotel construction has lagged behind demand, existing facilities are enjoying maximum occupancy and accepting a minimum of organized tour groups.

The room shortage will be partially alleviated in 1968 and perhaps eliminated by 1970 as hotels now under construction or planned are completed.

Work is in progress toward expansion of Singapore's airport, presently serving over 20 international airlines, to enable it to handle jumbo jets and SST's; and it is hoped that other tourist facilities may be developed and air traffic restrictions liberalized in time for Singapore to take advantage of the expected air travel boom.

Indonesia weathers crisis

Prices stabilize after inflationary binge; U.S. aid crucial in recovery effort

The Indonesian economic reform passed through its greatest crisis since being introduced in October 1966 when prices suddenly skyrocketed at the beginning of the year.

The government's response was to stabilize the market through injections of imported rice, obtained in part through the U.S. aid program, and its own scarce foreign exchange holdings. It also argued successfully in Parliament for the adoption again of a balanced budget for 1968 and a liberalized banking law.

At the same time, steps were initiated to avoid a recurrence of another price crisis at the end of 1968, according to the latest Economic Trends Report submitted by the U.S. Embassy in Djakarta.

Since mid-February Indonesia's commodity and money markets have been generally stable, with the price of rice slipping downward in accordance with the seasonal trend. While foreign exchange rupiah rates went up somewhat in March, this was apparently a result of speculation in the wake of instability on world monetary markets. At the end of the month the rates had begun to decline.

Three large assistance agreements signed in September and February underlined the United States' continued willingness to respond quickly to Indonesian requests for support of efforts to stabilize and modernize the country and its economy.

The first ships carrying the 100,000 tons of rice sold by the United States to Indonesia in September on maximum concessional PL-480 dollar repayable terms began arriving last November and continued arriving through the first months of 1968, just at the time rice stocks were lowest and price pressure sharpest.

The two other agreements signed in February (one for $25 million in commodity loans for the purchase of U.S. goods on the Government of Indonesia's BE list of essential imports, and the other for $36.8 million in PL-480 agricultural commodities—rice, cotton, bulgur wheat, and wheat flour) were a first portion of the conditional pledge made by the U.S. at the Inter-Governmental Group (IGG) session at Amsterdam last November.

At this meeting the Government of Indonesia (supported by the IMF and IBRD) requested $325 million in assistance for 1968 ($250 million in stabilization—balance-of-payments support through the BE import system and $75 million in project aid).

The U.S. said it would be willing to contribute about one-third of the total if other IGG donor countries contributed the other two-thirds, and if Indonesia's economic performance continued to be acceptable to the IMF and IBRD.

Food donations for Food for Work projects, a technical assistance program, support for American private investment here, and the international and regional programs which are supported by the United States (IMF, IBRD, Asian Development Bank, the South East Asian Transportation and Communications Conference) are all of significance in Indonesia's effort to develop. The Agency for International Development (AID) offers investments guarantees to U.S. investors whose projects have been approved by the Government of Indonesia; the first such investment guarantees were issued in January.

Assistance by United States and other Western industrialized countries and Japan has been a key element in helping Indonesia move away from Sukarno's narrowly nationalistic and sometimes Communist-inspired policies toward an open economic and political position on the world scene. The number of U.S. businessmen and bankers coming to Djakarta has continued to grow with the confidence engendered by the policies of post-Sukarno "New Order" policies.

The Civil Aviation Agreement signed with the United States in January (incorporating Bermuda principles) is a recent example of the growth of contacts with the outside world.

The New Year's Day announcement by President Johnson of severe measures to check the dollar outflow from the United States and restore equilibrium to our balance of payments was generally greeted with sympathy by Indonesia, whose own balance of payments problem is also very serious.

The mandatory restrictions on new U.S. direct investment abroad, however, ran smack against the burgeoning drive of the Indonesian Government to attract foreign investment, especially from the United States. The local press stressed in its reporting the emphasis placed by President Johnson upon continuing the flow of U.S. investment capital to the developing countries, as spelled out in the 110% figure applied to "Schedule A" (developing) countries including Indonesia.

Concern was raised, however, by the fact that the 110% limitation was calculated on the basis of the average annual investment in 1965-66, a time when Sukarnoism and political instability virtually precluded all foreign investment in Indonesia.

Embassy explains

The Embassy has therefore been at pains to point out to official and business circles that the 110% limitation does not apply to individual developing countries but rather to the "Schedule A" group as a whole. The investing company is free to choose in which Schedule A countries it wishes to invest and may place all or part of the 110% in a developing country where it had no previous investment base.

Moreover, applications may be made for special licenses from the Department of Commerce's Office of Foreign Direct Investment.

The Indonesian Government continues

Import rules revised

Main questions now being discussed in the Indonesian Government include how to make better use of domestic managerial talents (including ethnic Chinese) in industrial production and how to speed repatriation of foreign exchange held by Indonesians abroad.

Also, revised import regulations have been introduced in an effort to increase the amount of foreign exchange used to import goods needed for rehabilitation and development. A major revamping of customs duties and surcharges was introduced early in 1968 to allow high priority foreign goods to be imported at very low tariff rates, or no tariff at all. Essential goods are subject to low tariffs; less essential goods are made subject to very high duties, and are not eligible for financing with foreign credits.

to show the emphasis it places on attracting foreign private investment. Tax holidays, depreciation allowances, the possibility of extending the 30-year limitation on an investment project are all being used or considered to give greater incentive to potential new investors and for new investments in foreign enterprises returned to their owners after having been taken over during the Sukarno regime.

The work of the Technical Committee for Foreign Investment is being improved to accelerate the processing of investment applications. Indonesia's request for full membership in the World Bank's "International Center for the Settlement of Investment Disputes" (approved in March) was one of several steps taken to increase the confidence of the foreign investor. Reportedly, the government is discussing the possibility of revising the Foreign Investment Law adopted by Parliament in Jan. 1967 to liberalize even further the treatment of foreign investments.

The government recognizes that outside resources are needed for the country's economic development. Preliminary five-year plan growth projections are, for example, tied to the amount of foreign capital and technical assistance available.

While timber, petroleum and mining projects have been given high priority by the government (a general invitation for foreign companies to bid for exclusive mineral exploration rights to fifty-three 10,000 square kilometer blocks lying throughout Indonesia was issued in November), all industrial sectors are open except public utilities, military industries, and nuclear activities. A February decree issued by the Minister of Basic and Light Industries underlined the strong effort to obtain outside capital and other assistance for various industries.

U.S. investors lead

U.S. investors continue to lead the pace, but other foreign companies have increased their efforts over the last several months. Of the many investment projects, totaling the equivalent of $143.6 million, already approved by the government, six projects totaling $101 million are U.S.; Dutch firms have five projects, Japan three, and a series of other countries have one each (Denmark, Panama, France, Norway, Singapore, Switzerland, and Kuwait).

The six approved U.S. projects are included in the application for investment guarantees submitted to AID by 55 U.S. companies for possible investment of over $600 million. While this total shows the sharp interest of U.S. companies, the $600 million figure should be considered as "potential" investments only. Mining and petroleum projects make up about $400 million of the total, and full implementation of any one of the projects is of course conditional on the results of exploration and drilling.

INCREASED HELP FROM ABROAD is a key element in the Indonesian Government's drive to restore economic stability. This state-owned plant at Palembang, Sumatra, was built by a U.S. firm.

Competition between interested investors was pointed up when several of the world's largest nickel companies entered bids with the government for the right to negotiate for a large nickel mining concession in the Malili area of Sulawesi (Celebes). The government's final decision in favor of the International Nickel Company was based on objective evaluation and followed the recommendation of the Mining Ministry's Technical Committee in Foreign Investment. The decision reflected the government's effort to support orderly bidding procedures and improve the general investment climate.

Djakarta's first foreign branch bank, established by American Express, opened for business on March 26. Three other American banks (Chase Manhattan, Bank of America, and First National City Bank of New York) have had their applications approved to open branch banks here, and their branches will probably begin operation this summer. United California Bank has an approved application to enter into a joint banking venture with Indonesian partners.

Several other foreign banks (Dutch, British, Japanese, and Thai) also have been authorized to open branch banks here. This wide U.S. and other foreign banking interest is perhaps the most significant show of confidence in Indonesia's commercial and economic future that has occurred since Indonesia's New Order introduced its economic reform. As they open and gain experience in Indonesia, these banks will be helpful sources of investment advice.

Good potential market

Indonesia is potentially a large market for American and other exporters, but commercial exports here are sharply limited by the country's chronic lack of foreign exchange and credit. Indonesia's import volume in 1968 will follow closely along the lines of export earnings and foreign assistance. Short-term (supplier and bank) credits are in principle restricted to $75 million in the government's efforts to maintain control over the country's foreign debt. Medium-term credits (over one and under five years) are frowned upon.

AID dollar commodity loans for financing purchases of U.S. commodities on the Government of Indonesia's "BE" list totaled $37.5 million in 1967, and so far in 1968 $25 million has been made available. These 1968 commodity loans and the initial project assistance now under discussion provide the basis for sales in new types of machinery and other capital equipment as Indonesia moves from rehabilitation to economic development (particularly irrigation and

other machinery for agriculture, road-building, and harbor-dredging equipment, machinery to expand the country's fertilizer and cement production).

An important prospect for expanding sales here—even during the current tight foreign exchange situation—has opened up with Indonesia's increasingly liberal attitude toward joint ventures as part of its effort to obtain outside resources needed for economic development. Japanese, Dutch, West German, Australian companies have been most active in searching out and negotiating such arrangements.

Semi-finished goods can be brought in without facing prohibitively high customs duties and then turned into finished consumer goods, pharmaceuticals, and relatively small industrial machinery and equipment for sale on the local market—with the repatriation of profits guaranteed.

Private enterprises here are capital starved, but many of them are known to have good management capability, and the market they can tap is virtually boundless. State enterprises are also again seeking joint venture partners from abroad. DICS rupiah ("Debt Investment Conversion Scheme"), with which debt claims in foreign exchange against Indonesia can be settled, are increasingly being used by investors, including those interested in joint ventures.

The wide latitude available for the establishment of joint ventures is reflected by the liberal treatment given to the amount of equity which may be owned by the foreign investor. For example, the recent decree of the Ministry of Basic and Light Industries and Power referred to above requires that an Indonesian private partner own at least 10% of the capital of a joint venture; a state enterprise is required to own at least 50%.

A liberalized banking law was adopted by Parliament in December which gave foreign investment a fillip by approving the opening of branches of foreign banks. Also, a more effective rice and other foodstuff procurement strategy is underway as part of the government's effort to avoid another "Lebaran syndrome" crunch at the end of this year.

The government's preliminary guidelines for the coming Five-Year Plan (1969-73), to be presented to Parliament later this year, show a realistic effort to keep goals within the realm of resource and financial possibilities.

Priority targets for 1968 are: increasing the production of rice and other foodstuffs; expanding exports, especially of petroleum and mineral products; and improving that part of the country's infrastructure needed to move these products to market. The overall Five-Year Plan target is to bring the GNP growth rate above the population's growth rate of about 3% a year.

The International Monetary Fund (IMF) approval in mid-February of Indonesia's request for a stand-by arrangement included praise for the progress made in the field of budgetary planning since the economic reform began. The $51.75 million stand-by agreement, which includes $18 million in new outside resources, covers Indonesian Government undertakings in budget-fiscal policy matters, puts a ceiling on Central Bank credits, and describes certain improvements to be introduced in the country's foreign exchange system. The stand-by is important not only for the new outside resources it makes available, but also for the vote of confidence it gives Indonesia's economic advisory team.

The government scored some relative fiscal and monetary successes in 1967 in its effort at stabilization. The increase in the cost-of-living index was 112%, almost double the 65% target limit set at the beginning of the year but still far below the 635% price increase in 1966.

The government's central problem for 1968 is how to get the economy moving without triggering unintended internal price changes and undesired balance-of-payments repercussions. Public speeches by President Suharto and other top government officials have emphasized that 1968 must see the first steps toward economic growth, along with continuing efforts to maintain fiscal and monetary stability. The government recognizes the need of combating criticism in Parliament and the press that the Indonesian economy has stagnated under the austerity measures introduced with the economic reform, and various steps have already been introduced to reverse the downward trend.

The Indonesian initiative to use in 1968 counterpart rupiah from foreign assistance for development purposes, its emphasis on finding new ways to attract foreign private capital investment, its decision to permit foreign banks to open branches here—all these are designed to stimulate growth. There have also been a series of measures introduced to liberalize the domestic economic structure and make way for more domestic private investment.

Special hurdles for U.S.

U.S. sales to Indonesia have special hurdles to clear. At various times in 1967 and again in 1968, the demand for U.S. "Credit BE" (foreign exchange available from U.S. Government credits) has been virtually nil, while the "Credit BE" of Japan, the Netherlands, and some other countries were selling rapidly.

Higher American prices—including freight—are sometimes a factor, but even more often it is the time element in transporting products from the United States, which requires the Indonesian importer to pay high interest charges (3, 5, even 10% a month) on rupiah borrowed to purchase the necessary foreign exchange until the goods arrive and can be sold.

Large American companies have established warehouses in Hong Kong, Singapore, and other places near Indonesia to reduce delivery time after purchase. These companies also have sales representatives in nearby countries to cover the Indonesian market more closely. Smaller U.S. companies could advantageously cooperate in establishing similar warehouses and area sales offices.

Uruguay to continue current import policy

The Uruguayan Government has announced that the current policy of controlling imports by varying rates of prior deposits on certain imports will be maintained until Sept. 30. Prior deposits are charged for all imports in excess of specified percentages of past import levels.

However, according to Central Bank circular No. 67 of April 1, the rates of these prior deposits have been reduced from a range of from 200 to 400% ad valorem to a range of 150 to 300%. The prior deposits rates applicable to imports from LAFTA countries were reduced from a range of 140 to 280% to a range of 105 to 280%.

Jordan announces tariff changes on fabrics, fibers

Jordanian tariff rates for woven fabrics of 100% synthetic fibers (continuous or discontinuous) have been reduced from 45% ad valorem to 30% ad valorem effective March 27.

The duty continues at 45% on woven fabrics containing natural fibers.

Malagasy promotes growth rate through increased farm output, import-substitution activities

Best prospects for U.S. firms lie among export industries; effort is being made to change consumption patterns

Increases in agricultural production highlighted Malagasy economic developments in 1967.

Continuing the upturn of 1966, the favorable trend in such output reflects in part increased state purchasing prices, and in part government attempts to encourage expanded production through modern methods of cultivation.

The Malagasy Government also is encouraging domestic economic growth emphasizing development and expansion of internal communications and road networks and import-substitution industries, according to the latest Economic Trends Report submitted by the U.S. Embassy in Tananarive.

Despite continuing economic expansion in both the agricultural and industrial sectors of the Malagasy economy, the basic impediments to encouraging U.S. investments aimed at the domestic market still prevail—namely the smallness of the internal market and extremely low per capita income, which has been estimated at about $100—and the preferential treatment accorded to French and other Common Market products which increasingly saturate the domestic market at the expense of domestic Malagasy industry.

On the other hand, opportunities for investment in export industries are greater. Thus, during 1967 U.S. business interest focused principally in the beef and fishing sectors and in petroleum research, with lesser interest in the possibilities of mineral exploration extraction—particularly berylium and nickel.

For those U.S. companies interested and aggressive enough to enter the domestic market on a limited initial scale but with an eye to the future, there are specific opportunities for U.S. business in the Malagasy Republic.

In order to bring about a more rational, broader-based economic structure, the Malagasy Government is doing its best to encourage foreign investment and expansion of domestic industry. In early 1968, for example, the Government levied an import infant-industry tax on certain imported foodstuffs in an effort to shift consumption from imported to domestically produced items which at present are manufactured by firms operating at less than full capacity.

The attempt to change consumption patterns which are presently heavily French-oriented, and the policy of encouraging capital investment are but initial steps on the long road to economic independence for the Malagasy Republic.

While almost 90% of the population is engaged in farming and herding, an effort is being made to foster the expansion of existing light industry, which has been largely limited to the processing of domestically-grown agricultural products. The present industry base is located primarily in Tananarive and Tamatave provinces.

Existing industry is necessarily hampered from development by the smallness of the internal market as a result of low wages and purchasing power. The industry base is further restricted by a poor internal communications network consisting of a road system comprising 30,000 kilometers of which only 2,500 kilometers are paved—mostly in the immediate vicinity of Tananarive. An additional 1,300 kilometers are expected to be added to the paved road network during 1968.

In terms of the internal labor and consumer market structure, the vast majority of Malagasy are highly diffused throughout the island, with only one city—Tananarive—possessing the characteristics of a reasonably well-organized and socially integrated community totalling about 325,000 persons. The remaining six major cities have populations of considerably less than 50,000, with a combined population of about 225,000. In short, the country's seven major cities account for less than 10% of the total population.

Domestic industries hampered

The development of domestic industry is also inhibited by the preferential trade treatment and monopoly investment which is accorded to France and other Common Market countries. Commodities originating in France, for example, are accorded duty-free treatment and are not subject to import licenses as are goods from other Common Market countries and third countries. Imports from all sources are subject to a revenue tax.

In return for the preferential treatment accorded to French firms in the Malagasy market, the French Government continues to provide assistance to Madagascar at a significant rate. In 1967, for example, two aid agreements were signed by France and the Malagasy Republic amounting to $5 million, bringing the total of French bilateral assistance to the country since 1960 to about $74 million.

In 1967, total investments in the Malagasy industrial sector amounted to $5.7 million, of which about $2.6 million was devoted to construction of a cotton textile

Major Malagasy imports, 1967

Commodity	1966 ($ millions; 11-month data)	1967 ($ millions; 11-month data)	% change
Fertilizers	0.7	0.9	+29.6
Textiles	11.4	14.5	+21.3
Disinfectants, insecticides	0.6	0.7	+16.6
Petroleum products	6.7	7.5	+11.8
Rubber products	2.7	3.0	+11.1
Metal products	13.2	13.8	+ 4.5
Electrical appliances	9.4	9.5	+ 1.0
Pharmaceutical products	3.51	3.52	+ 0.2
Prepared foodstuffs	7.0	6.8	− 2.8
Prepared textile articles	5.6	5.4	− 3.5
Machinery, equipment	13.6	12.4	− 8.8
Paper, paper products	4.9	4.3	−12.2
Cement	1.5	1.2	−20.0
Animal, vegetable products	9.1	6.7	−26.3

mill, soap factory, brewery, candle wax factory, rice mill, electric power station, sawmill and apple juice bottling company. Investments in plant expansion in 1967 were devoted primarily to expansion of the cotton textile mill in Antsirabe and construction of a soap factory in Tananarive.

The high level of foreign assistance, continued export earnings from agricultural exports and increasing tax receipts resulting from improved control and collection methods continue to provide the basis for government investment in the private sector. This factor, coupled with prudent fiscal policy aimed at avoiding inflation has at least brought stability to an economic system heretofore at the mercy of volatile market forces. However, an element of this volatility still exists, and is perhaps inevitable for an agricultural economy where demand for agricultural exports is fairly constant but where export earnings can shift drastically as the result of price changes.

Malagasy's foreign trade increases, 1967

	1966	1967
	$ million: 11-mo. data	
Imports, total	126.0	132.0
From U.S.	8.5	9.5
From France	81.5	86.0
From Other EEC	13.1	14.8
Exports, total	87.3	92.1
To U.S.	18.6	20.8
To France	41.1	35.2
To other EEC	6.5	4.6

Disappointing growth

Growth in medium and short-term credit in 1967 was below expectations. In fact, it is estimated that about one-half of the Institut d'Emission Malgache's ceiling for medium term credit amounting to 4 billion FMG was used in 1967. In order to encourage an expansion of medium-term credit for development purposes, the IEM and other banks have liberalized the terms for financing the construction of commercial buildings and are seeking ways to stimulate demand for short term and medium term credit.

In an effort to spur investment in industry and agriculture, the Malagasy authorities recently published an Investment White Paper (Grandes Operations) which outlines development plans in virtually every sector of the Malagasy economy, in an effort to make up the shortfalls in the current five-year plan and to lay the basis for an ambitious second plan beginning in 1970.

Moderate growth in economy of Hong Kong seen, as domestic exports furnish momentum

Devaluation is unsettling, tourism lags, construction slows; but confidence is bolstered by cessation of '67 disturbances

Although Hong Kong will not in the foreseeable future enjoy the exceptionally high growth rates experienced in all sectors in the early 1960's, the economy has weathered Communist disturbances better than expected by many observers.

Confidence in the Colony's immediate future received further bolstering as violence tapered off and then ceased by the end of the year. Although local Communists are attempting to win back a measure of public support, it is unlikely that the Colony will experience a repeat of the disturbances of 1967, according to the latest Economic Trends Report from the U.S. Consulate General in Hong Kong.

The outlook is for moderate economic growth, based largely on momentum in domestic exports.

Total foreign trade last year reached a record $3.3 billion. Domestic exports ($1,153 million)—upon which the economy depends heavily—rose 16%. Even allowing for deflation for statistical reasons, this was in keeping with Hong Kong's usual 12 to 15% range of growth. The United States, which continued to increase in importance as the Colony's largest market, took more than 37% of domestic exports—up 3% since 1965.

Re-export trade expanded about 13% in 1967 for a total value of $359 million, or 23% of total exports. This largely reflected growth prior to a Chinese Communist ban on transshipment of Mainland goods through the Colony, which has resulted in a lower re-export level from the latter half of 1967 up to the present.

Small import rise

Imports ($1,800 million) rose only some 3% in 1967 owing to a sharp reduction in deliveries from Mainland China and the unsettled business conditions last summer. A significant restoration of Chinese Communist supplies together with greater business confidence in most sectors brought imports back to a high level at the end of the year.

Total U.S. sales to Hong Kong fared very well. Imports from the United States in 1967 ($242.8 million) surpassed 1966 figures by 30% for an all-time high, while the U.S. share of the market improved from 10.8 to 13.5%. U.S. export expansion followed established lines and was only marginally stimulated by the interruption of supplies from Communist China.

By and large, as U.K. exporters have not taken advantage of the pound's devaluation to cut prices in the Hong Kong market, no marked change has occurred in the relative competitiveness of U.S. and British products.

U.S. investment

Hong Kong Government policy continues to be highly conditioned by the need to maintain a beneficial climate for business operations, with renewed, direct efforts being made to attract investment. The Trade Development Council has ten-

U.S. sales prospects in Hong Kong mixed

Opportunities for U.S. capital equipment and machinery sales to Hong Kong will not be especially promising in the next six months. Consumer spending has revived, but for certain goods higher prices as a result of devaluation may slow the growth rate of such U.S. exports to the Colony. Tourist-related imports may ease somewhat. Market conditions should remain favorable for industrial and agricultural raw materials and some processed goods.

A tight worldwide situation in rice has led Hong Kong to import increasing amounts of U.S. rice. This trade is expected to continue as long as supplies from Southeast Asia are short.

tative plans to send a high level government-backed business mission to the United States this spring. It would meet with American financial, industrial and business leaders to project an improved image of the Colony by putting the Communist disturbances in perspective and explaining the industrial opportunities which the Colony offers.

Hong Kong is among the countries for which the U.S. Government will approve new capital transfers for direct investment up to 65% of the average of investment, together with reinvested earnings, in 1965-66. If past actions are any indication of intentions, this should be sufficient to accommodate U.S. investment in Hong Kong during 1968.

Moderate pay raises in response to the higher cost of living will be granted in the coming months, but no broad, consistent pattern is likely to emerge. Legislation shortening maximum industrial work hours should have little effect on American-owned plants in the Colony, as U.S. investment is largely concentrated in industries already working a 48-hour week—for example, electronics. On the other hand the toy industry, where U.S. investment is also present, worked longer hours and is making necessary adjustments.

Devaluation

Hong Kong followed the pound sterling in devaluing its dollar last November, and then four days later partially revalued for a net 5.7% devaluation. The objective was not to improve an already healthy balance of payments and export competitive position, but to minimize the loss of Government and local bank reserves held largely in sterling. Devaluation has led to an extensive readjustment in price relationships which are still working themselves out.

Although devaluation should not in the long run exert a critical influence on the economy the near term effects are unsettling. It remains to be seen to what extent devaluation, which has raised prices of most foreign goods, is acting to curtail imports. Similarly, it is still not clear whether most local manufacturers were able to maintain the foreign exchange price of their export goods or were forced by overseas buyers in non-devalued areas to cut prices.

A number of other unusual factors are also influencing Hong Kong trade, including hangover effects from the disturbances in 1967 and continuing—although moderated—dislocations in supplies to the Colony arising from the cultural revolution in Mainland China. A combination of all these factors accounted for a disappointing foreign trade performance during the first two months of 1968.

Tourism, the Colony's second largest industry, suffered a recession last fall cutting growth in civilian arrivals for 1967 to about half the usual rate of increase. Although U.S. arrivals declined nearly 2%, Americans were again easily the largest nationality group. A modest resumption of tourist growth occurred in December and January, but February, which is normally the beginning of the annual peak spring season, saw a noticeable drop compared to the same month in 1967. Proposed U.S. travel restrictions have already led to the cancellation of bookings by a number of American tour and business groups.

Since September, the banking system has steadily recovered from a 13% fall in deposits last summer. Nevertheless, at the end of January bank deposits were still 7% below the April 1967 pre-disturbance level. A decline in outstanding bank loans and advances from August onward was arrested by only slight increases in December and January.

Cautious bank lending policies for small and medium size companies and diminished demand for credit were among the reasons for a level of loans and advances in January nearly 9% less than July. As a result, the banking system has a high level of liquidity. Some capital is flowing into the Colony again. The extent and significance of this inward movement is unclear but probably fairly limited.

Capital machinery imports eased off in the latter half of 1967 and no sign has emerged of a pick-up in large-scale, new capital investment in the private sector. However, most investment programs in progress before the disturbances are being carried on, and existing manufacturing plants maintained and expanded moderately when necessary to meet export orders. Already in the doldrums, the construction industry and real estate market were further depressed by the events of the year.

The value of new private buildings in 1967 was a little more than half that of the previous year and the number of plans and new buildings approved decreased considerably. Government expenditure on public works projects has also fallen significantly during the current fiscal year. Reasons given include a substantial drop of tendered prices, particularly on marine works and buildings, due to more competitive conditions in the construction industry, a slowdown of some projects because of the disturbances and some shortages of building materials, normally imported from Mainland China.

Government revenue collection is running close to original estimates while total expenditure is expected to be considerably lower than projected, largely for the reasons mentioned. As a result, the Government's originally budgeted deficit of HK$37 million is now estimated to turn into at least a HK$74 million surplus for the current fiscal year ending March 31 (HK$6.06=US$1).

By Hong Kong standards, there has been a noteworthy rise in the cost of living over the last year. The Government's General Consumer Price Index moved up about 6% in 1967 while the Modified Consumer Price Index, which reflects living costs for the bulk of the Colony's households, advanced some 7%. One clearly identifiable factor has been a steady increase in rice prices arising from short supplies in Southeast Asia.

Checked price drop

Although the full influence of devaluation is unclear, it probably acted to check any further downward movement in consumer prices, which had been driven up by the disturbances and were beginning to recede when devaluation intervened. Where labor is relatively well organized—the transportation sector and segments of the textile industry—direct pressures have been exerted for offsetting pay increases. While the bulk of the labor force is not organized, some employers also are privately weighing possible wage increases.

A two-year mass transport study tabled at the Legislative Council in February maintained that the Colony must build a $560 million rapid-transit system, or a more extensive road system in the next 16 years—or face potentially "devastating"

Hong Kong banks source of funds for U.S. firms

The Colony remains a leading financial center in the Far East with a high level of bank liquidity and practically no foreign exchange controls. Recourse can be made to Hong Kong banks by American companies facing restrictions on new direct investment overseas and tight credit situations at home.

Funds are available to U.S. corporations interested in investing or expanding their operations in the Colony, and in some cases money is being borrowed locally for the account of home offices in the United States.

effects on its economy. The study recommended construction of a 40-mile, four-line subway of mostly underground track from Hong Kong island to the New Territories capable of carrying 2.5 million people by 1986. Financing of the project presents a formidable problem and a number of observers, including governmental, consider the cost prohibitive.

Since the disturbances, critics of the Government have pressed for increased spending on education, youth and other social welfare programs which would involve higher taxes. It is clear, however, from the Financial Secretary's recent budget message for 1968-69, and the Governor's address which immediately preceded it, that the Government will continue to follow a path of measured progress and conservative financial policies. The budget provides for only modest expansion of public expenditure, sets forth no new, dramatic programs or changes in priorities, and calls for no increase in taxes.

The Financial Secretary forecast $322 million in revenue and $324 million in expenditure for a deficit of $2 million. Hong Kong Government-budgeted deficits normally turn into surpluses and it is not likely that 1968-69 will be an exception. In short, the Colony's traditional laissez faire economic philosophy remains fundamentally unchanged.

Although the Government's basic economic philosophy has not changed, labor matters will receive more attention this year. The Commissioner of Labor in mid-February outlined in general terms some 33 measures in various stages of consideration within his Department. Some are expected to be presented to the Legislative Council and passed within the next six months but it is doubtful that the entire program will be acted upon this year. The proposed changes, described by the Governor as not over-dramatic or far-reaching, are not expected to impose a heavy burden of costs on the Colony's manufacturers or business firms.

Local and foreign investor confidence was the most important casualty of last year's disturbances. The key economic question in 1968 is the extent to which confidence will return as reflected by new industrial and commercial investment. There has been a substantial restoration of confidence in Hong Kong's immediate future. Nevertheless tangible signs are lacking of any real resurgence of longer term (three to five years) industrial investment, and devaluation has made imports of capital goods somewhat more expensive.

It is also unlikely that private building activity and the real estate market will show much near-term improvement. For the time being, this will not be critical as the economy still retains considerable forward momentum. The relative absence of large, new investment for a prolonged period, however, could become increasingly serious in an economy with a young and growing population.

FOREIGN TRADE REACHED RECORD LEVELS in Hong Kong last year, with exports jumping 30% while imports went up 3%. This girl is working on transistor radios, one of Hong Kong's top exports.

The economy will not receive any unusual stimulus from public capital investment throughout 1968. The trend of government public works expenditure has been one of substantial decline in the last two fiscal years. While public works estimates for 1968-69 are somewhat higher than the current financial year, actual outlays may not greatly exceed 1967-68.

The budget message for the new fiscal year omitted mention of a number of proposed, major projects including a containerization port, the cross-harbor tunnel, the rapid transit system (except to term one proposal for its financing as unrealistic) or expansion of Kai Tak airport.

Hard to predict

With so many influences at work, it is difficult to make forecasts on the course of the Colony's trade. Domestic exports, however, should continue to be the strongest sector of the economy and show satisfactory growth, although foreign exchange earnings may not increase quite as rapidly as in recent years. Order books appear to be generally full and local observers expect that the U.K.'s new stringent budget will further boost exports. With massive increases in taxation on all luxury goods, cheaper products from Hong Kong should be more attractive in the British market.

Import growth will probably remain comparatively sluggish. No revival in overall re-export trade is foreseen as signs are lacking that Communist China intends to relax its ban on Hong Kong as a re-export center for Mainland goods. This, though, is a relatively marginal loss to the economy.

Prospects for a return to the high pre-disturbance level of civilian tourist growth are distinctly unfavorable. With slackening growth and perhaps an absolute fall in the number of U.S. visitors, total arrivals for the first part of 1968 will likely run below the exceptionally good spring season last year. Later in the year, the local tourist industry may enjoy moderate expansion depending upon U.S. travel restrictions and whether Japan moves to curb overseas travel of its nationals, a step now reportedly under consideration.

Japanese travel restrictions would have a significant adverse impact on Hong Kong. In 1967, the Japanese were the second largest (85,000) and fastest growing tourist nationality (up 15%). One stabilizing influence should be the continued arrival of U.S. servicemen in undiminished numbers. Expenditures from this source provide an important share of the Colony's tourist receipts.

Trinidad businessmen optimistic despite mixed economic record; outlook for U.S. is encouraging

Tourism, Caribbean Free Trade Area to provide stimulus; Government offers substantial incentives to investors

A mood of moderate optimism and expectation pervaded the business community of Trinidad and Tobago in early 1968, according to the latest Economic Trends Report submitted by the U.S. Embassy in Port of Spain.

This mood owes almost nothing to the recent performance of the economy, but is derived largely from the Prime Minister's January budget speech announcing a new fiscal program designed to curtail consumption and stimulate investment, the improved climate of understanding and cooperation that developed between the government and the private sector during the past year, as well as from positive indications that several development projects, especially in the area of tourism, are on the verge of implementation.

Big stake

U.S. business interests already have a substantial stake in Trinidad and Tobago in the form of capital investments of some $500 million, mainly in petroleum and petro-chemicals, and an annual market for U.S. exports valued at more than $60 million.

While over the long term the increasing orientation of Trinidad's economy toward the Western Hemisphere should result in increased bilateral trade with the U.S., in the near future the best opportunities for U.S. business appear to lie principally in the provision of capital and know-how for the tourist industry and in developing export industries to exploit the larger markets which are being opened up by the integration movements in the region and the hemisphere.

The tide of Caribbean tourism, which has only barely touched Trinidad and Tobago thus far, seems destined to bring an increasing flood of U.S tourists to this country over the next few years, and U.S. interests will enjoy a natural advantage in helping to provide hotel and other facilities and services to cater to them.

As a locale for the development of various export industries, Trinidad offers U.S. investors a number of advantages including: a common language, a stable government and economy, a plentiful supply of literate labor and assurance against work stoppages from strikes, tax and other special incentives, a well developed infrastructure, a strategic location off the coast of South America, and—for the petrochemicals industry—a plentiful supply of raw material.

To the extent that the economic integration movements that are in process can provide Trinidad's industry with secure export markets, the country will provide attractive investment opportunities for U.S. industry.

Restrictions on imports to stimulate and protect domestic enterprise will continue to affect imports in 1968, and several new items, including poultry and pork, have recently been added to the negative list.

Increased import duties, sales taxes and excise taxes this year will also tend to have an adverse impact on certain imports. These are mainly alcoholic beverages and such consumer durables as air conditioners and domestic refrigerators.

On the other hand, the market for capital goods, where U.S. exporters compete strongly, is generally unaffected by the increased taxes.

Last November's widespread currency devaluations will tend to make U.S. exports costlier in the local market as compared with imports from countries which devaluated their currencies at that time.

Continuing the trend of 1965/66, exports increased by about 5% while total imports declined by 9%. This divergent movement is due in part to the substantial increase which has occurred in crude oil production, which has made it possible to maintain and expand exports of refined products while reducing imports of crude oil for refining.

Imports of commodities other than petroleum have also declined, however—by 8% in 1967 and 5% in 1966, which is a reflection of the success of the government's import substitution development efforts.

The U.S. share of the import market (excluding petroleum) rose from 27.7% in 1966 to 29.7% in 1967, but fell short of the 32.6% registered in 1965.

The country's balance of payments has been favorable, and a modest increase occurred in 1967 in official gold and foreign exchange holdings. The government continues its efforts to strengthen trading relationships in the Western Hemisphere to fill the void which will be left if the U.K. joins the EEC, and has been active in promoting the formation of a Caribbean Free Trade Area.

The advent later this year of the Caribbean Free Trade Area (CARIFTA) comprising the Caribbean islands and adjacent mainland areas of the British Commonwealth will open new opportunities for trade which could make significant changes in Trinidad's export picture. To the extent that the free trade area concept is given genuine embodiment in CARIFTA, Trinidad, with its relatively well-developed industry and its capacity to increase food production greatly, should stand to benefit considerably.

The government continues to offer attractive incentives to investment in the form of tax relief, protection against com-

U.S. opportunities

Current economic trends in Trinidad and Tobago provide significant economic opportunities to United States business interests. U.S. capital and know-how will find increasing opportunities in hotel and related tourist development activities, an area of economic activity which has hitherto remained relatively quiescent as compared with other Caribbean islands.

The country's increasing orientation toward the Western Hemisphere, as manifested in its recent membership in the OAS and the Inter-American Development Bank and its efforts to forge new trading links with its Caribbean and Latin American neighbors. Its strategic location off the South American Coast, the availability of raw materials for petro-chemical development, and a favorable climate for foreign investment, also reflect the existence of potentially profitable industrial and commercial opportunities in the country for U.S. capital and enterprise.

Zambian development plan leads

equipment and industrial expertise are the things most seriously lacking in the Zambian industrial sector, and most in

To these specific incentives there has been added this year a general investment incentive in the form of a reduced level of income taxation. Under the new schedule, the highest marginal income tax rate is 70% as compared with 90% formerly; the maximum average rate, which formerly could exceed 80% on very large incomes, is reduced to 50%. In addition, the withholding tax on dividends and interest paid to non-residents other than parent companies is reduced from 30% to 25%, and on other types of payments from 30% to 20%.

The government is seeking to obtain additional capital for development by selling off some of its business assets: sale to a U.S. telephone company of a 50% interest in the government-owned telephone system has already been announced, and negotiations are under way which are expected to result in the sale of a majority interest in British West Indian Airways to private foreign investors and to other West Indian governments, and to its establishment as the regional air carrier in the Eastern Caribbean.

The government also has the Port of Spain Hilton Hotel up for sale.

Hotel development, an area in which the government has displayed indecision in the past, is now being accelerated. The Industrial Development Corporation announced in early April that firm plans exist for the construction of 700 new hotel rooms at a capital outlay of about $9 million. Nearly 600 of these rooms, including a 200-room Hilton, are scheduled for Tobago, which is generally regarded as having excellent potential for tourism.

While looking to tourism to increase the country's income and employment, the government is proceeding with caution and is determined to avoid, if possible, the ills and excesses which have attended tourist development in other places.

The Point Lisas project, a large export-oriented industrial park and deep-water port, will be located on the Gulf of Paria in central Trinidad. The project reportedly is attracting the interest of U.S. investors.

Unemployment continues to be the most serious economic and social problem which the country faces. The latest statistics place the unemployment rate at 15% in the second half of 1967, an increase of 1% from the rate reported a year earlier.

In his January budget speech to the Parliament, the Prime Minister outlined another of the sound budgets which have kept the economy of Trinidad and Tobago on an even keel and have limited inflation to an annual average of less than 2½% over the past decade.

Although fiscal operations are not expected to result directly in much monetary expansion, a greater than normal increase in the general price level is anticipated for 1968. Some upward pressure on prices will come from the increase in indirect taxes which is a principal feature of the new budget, and a probably greater upward push will come from the higher cost in local currency of imports from the dollar and other nondevaluating sources.

Some imports from the U.K. have also been more costly since devaluation, owing to the elimination of export rebates by the U.K. at that time. These factors were already reflected in the first two months following devaluation in an increase of about 3% in the price level.

OIL PRODUCTION is increasing in Trinidad, where Texaco roughnecks are shown on a drilling rig.

Economy is sluggish

In contrast to the somewhat buoyant mood, the economy, except for the petroleum sector, has been sluggish in recent months. Crude oil production rose 19% in 1967, but the over-all growth of the economy is estimated at only about 4%. Crop and livestock production for the domestic market increased significantly, but production of sugar, the main export crop, was down. The unemployment rate remained uncomfortably high. For 1968 the government has forecast an increase of only 3% in Trinidad's production of crude oil.

Despite the mixed picture presented by the economy's actual performance, the prevailing mood of business in early 1968 was one of confidence. Basic to this mood are the improved relationships between business and government which have been forged during the past year, and especially the government's new fiscal program, which features a reduction of income taxes and increased revenue from excise taxes.

Also contributing to this optimism are indications of developments to come which are expected to benefit the economy. These include indications that the country is on the threshold of an accelerated development of tourism, further progress in the private project for the development of an industrial complex and port at Point Lisas, and the anticipated creation of a common market which will embrace the English-speaking islands and adjacent mainland countries of the Caribbean.

The government, closely attuned to the dwindling oil reserve picture, is making every effort to stimulate exploration, particularly in marine areas. Pan American Oil, an affiliate of Standard of Indiana, is now drilling in 300 feet of water the second of three scheduled wildcat wells about 40 miles off the southeast coast of Trinidad.

A UN project for a seismic survey of marine areas between Trinidad and Tobago was due to be activated in April. The government is proceeding cautiously toward a revision of its oil policy through negotiations with producers to secure increased tax contributions from the industry while continuing incentives to expand production, drilling, and refining.

stage of full-scale economic development in Zambia.

While the country's reserves and revenue remain impressive for a developing

Imports on rise

The problem is not serious for this year, as the current spending rate will probably fall short of revenue on hand; but 1969 may see the beginning of fi-

Zambian development plan leads to import surge, but payments balance problem clouds outlook

Heavy transport and construction equipment paced 20% jump in exports to African nation in 1967; consumer market limited

American exports to Zambia expanded by over 20% in 1967 as Zambia's rapidly growing economy demonstrated a continuing need for heavy transportation and construction equipment. Other commodities also showed gains as the total Zambia import bill for 1967 rose by almost 25% over 1966.

The Zambian demand for imports reflects the rapid growth in the industrial sector, according to the latest Economic Trends Report from the U.S. Embassy in Lusaka. This report was submitted prior to President Kaunda's announcement on Apr. 19 of a new economic program under which the Zambian Government will take over majority control of 25 firms, and repatriation of profits by all foreign-owned companies will be limited (see INTERNATIONAL COMMERCE story, Apr. 29, p. 39).

However, the rapid increase in imports over the past few years is beginning to pose a problem as the import bill plus invisibles combined in 1967 to eliminate the previous very healthy Zambian balance of payments surplus.

The Zambian monetary economy currently revolves around three factors; the production and export of copper, the reorientation of trade away from Southern Rhodesia and South Africa, and the expansion of the local cash economy. Foreign trade is the key element in all of these Zambian factors, and therefore the surest indication of progress.

U.S. machines lead

U.S. sales to Zambia in 1967 increased to $46 million. Although sales were made in every category of products, the overwhelming percentage of U.S. exports consisted of machinery and transport equipment. This pattern will probably continue for the foreseeable future.

The Zambian consumer market will remain relatively small, and therefore no marked expansion can be predicted for sales of American consumer goods.

On the other hand, Zambia's insistence in pushing ahead with general industrial expansion as well as with the forging of a new external transport system will continue to provide a ready market for both industrial machinery and transport equipment. Probably the greatest opportunity lies in the industrial equipment field. Much of this now supplied by European suppliers, particularly British.

Adequate financing and aggressive selling, combined with good servicing facilities, could result in U.S. manufacturers obtaining a larger percentage of this market.

Traditional American preeminence in the heavy duty construction equipment market provides an example to be followed in other sectors. Quality industrial equipment and industrial expertise are the things most seriously lacking in the Zambian industrial sector, and most in demand by a sincere, development-conscious Government. As long as the copper situation provides Zambia with income, the Zambians are prepared to pay for these things, and firms interested in doing business here should direct their efforts towards satisfying these needs.

Fortunately for Zambia the foundation of her economy, the copper industry, continues to provide the means for her activity in trade re-orientation and economic expansion. While copper production was cut by some 15% in February, the price of copper on the world market continues to provide both high profits to the two Zambian copper companies and substantial revenue to the Zambian Government. Both the continuation of the Viet-Nam war and, probably more important, the recent American copper strike are responsible for the favorable producers market.

Program slows down

Meanwhile, trade re-orientation remains the prime objective of the Zambian Government. Following significant initial progress in the development and expansion of northern transport routes, a plateau has been reached, and further progress is very slow at the moment.

The next major break-through will be the opening of the Zam-Tan petroleum pipeline in September, which will not only provide Zambia with a secure and cheaper source of petroleum products, but will also release a certain amount of transport which is currently carrying petroleum fuels. After September, this road haulage capacity will be available for the transport of general goods and heavy fuel oil for copper industry smelters.

Nevertheless, for the next two years at least, Zambia will depend on Southern Rhodesian transit routes (primarily Rhodesia Railways) for the majority of her imports and a substantial measure of her copper exports.

Zambia's economy is in a period of rapid growth, and many of its problems stem from this fact. The growing capital shortage results from heavy demand, and many of the frictions arising in the economy are direct manifestations of the urgency and scope of the development plan.

Whether these frictions will prove seriously detrimental to the long term growth of the country cannot yet be determined. Much will depend upon the Government's handling of the present

Offer package deals

Success in selling in the Zambian market, particularly when dealing with the Government on large projects, more often than not depends upon the presentation of comprehensive proposals that include servicing arrangements, where necessary, and provision for the training of local personnel when possible. Financing also should be designed to fit into a total package whenever possible. Finally, like most developing countries, Zambia must constantly strive to overcome its shortage of skilled and experienced personnel.

Consequently, the outsider who places the least demand on the potential Zambian purchaser (both government and private) by providing him with complete package proposals has the best chance of being listened to and, ultimately, of selling his product or service.

stage of full-scale economic development in Zambia.

While the country's reserves and revenue remain impressive for a developing country, they will require careful management. The Government is aware of this necessity and has begun to take some corrective action—including more stringent controls over recurrent expenditures. This year and 1969 will probably prove to be crucial years as development problems continue to dominate the economic scene and require consideration by the Government.

The construction industry leads the field in growth, as it has since independence in 1964. Overall industrial production continues to rise steadily, while manufacturing production (as distinct from industrial production which includes the copper mining industry) is rising even faster.

Despite Government intentions to spread industrial expansion throughout the country, the overwhelming majority of expansion is taking place along the line of rail from Livingstone to the Copperbelt.

This trend will in all likelihood continue throughout 1968 and into 1969 as new industrial plants already contracted for go into production. These include a tire factory, a preliminary fertilizer plant, a textile mill, and similar light industry planned to meet needs of the Zambian market which are currently met by imports.

Unfortunately, the new demands for equipment and raw materials, added to Zambia's traditional heavy import demand (primarily for the copper industry), are beginning to cause a balance of payments problem. In 1965 and 1966, Zambia enjoyed a substantial surplus in her balance of payments account—over $80 million each year. This situation apparently continued well into 1967, according to preliminary reports.

Surplus only nominal

However, it now looks as if the final figures for 1967 will show that at best Zambia earned only a nominal surplus for the year. If copper prices remain high throughout 1968 Zambia will again just about balance her foreign accounts books.

However, as soon as copper prices show any substantial decline (which they probably will with the end to the U.S. copper strike), Zambia wil almost surely begin to show a balance of payments deficit. This will probably show up seriously for the first time in 1969, a year or so earlier than anticipated in the development plan.

Imports on rise

Zambia's general imports continue to increase in value and volume. The country's total imports increased by 25% in value from 1966 to 1967. Perhaps 10-15% of this increase may be accounted for by increased prices for manufactured goods, and by an increase in transport costs stemming from the transport re-orientation program.

However, the rise in imports mainly reflects the increasing demands for goods in a rapidly expanding economy. Government expenditure for the National Development Plan is a major factor in this growth.

Government revenue, both for regular and development plan expenditures, should continue to remain high for the next year or two, unless the expected decline in copper prices is catastrophic. However, Government revenue is already beginning to fall short of planned expenditures. This had not been expected to appear until 1970 or later, but in presenting the calendar 1968 budget the Government announced it would seek over $100 million in foreign aid, loans, and private finance to meet certain demands.

The problem is not serious for this year, as the current spending rate will probably fall short of revenue on hand; but 1969 may see the beginning of financial problems for Zambia.

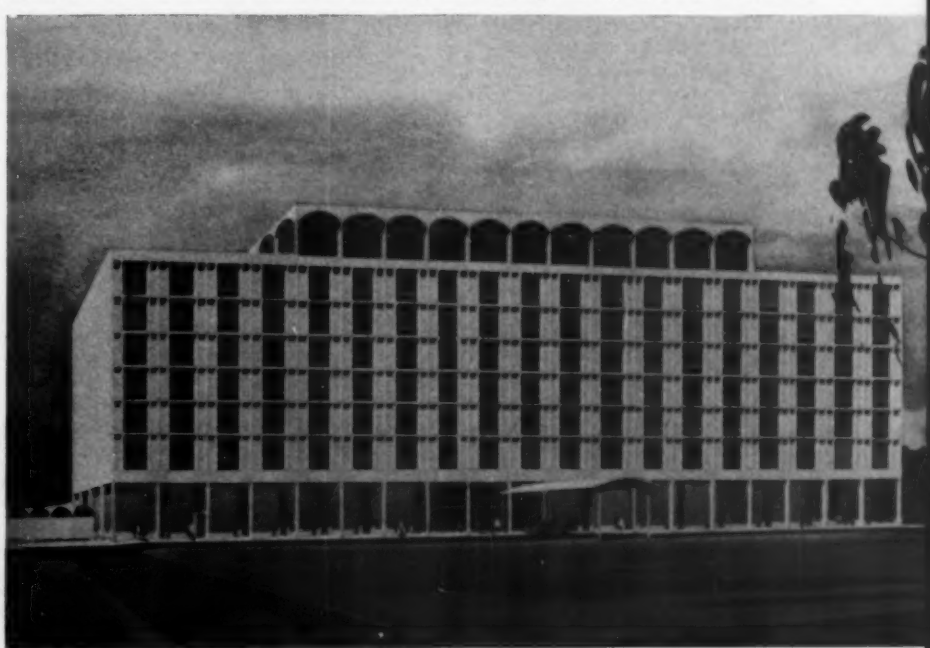
Nevertheless, the economic situation remains relatively well in hand. Official figures show that the overall cost of living has risen about 7% in 1967. An informed source says that general costs have probably risen somewhat higher, about 10%, but the rate of increase did drop off a bit in late 1967.

The Zambian National Development Plan is now in its second year. The rate of capital expenditure is definitely picking up but is still well below planned targets. The problems Zambia is beginning to encounter in implementing its plans are those which might normally be expected—particularly the shortage of trained administrative and technical staff.

While a great deal of progress is being made in many sectors, there is a growing feeling among observers that implementation of the plan is beginning to show symptoms of imbalance. The target levels are extremely ambitious, and possibly too much so. The investment period may have to be extended beyond the original time scale (1966-70) if these problems continue.

Meanwhile the various plan projects are stimulating imports, creating new jobs, and generally fueling the Zambian economy.

CONSTRUCTION IS ZAMBIA'S TOP GROWTH INDUSTRY, and has been since independence in 1964. Below, artist's sketch of Hotel Lusaka International, which is being built by an American hotel firm.



Sudan: few results yet

But some U.S. goods find good market despite AID cut, competition from East

Sudan, still undecided about economic directions after 12 years of independence, its relations with the U.S. interrupted by the Middle East conflict, continues to be a market whose interesting potential is not yet verified by results.

Areas of some promise, in agricultural and roadbuilding equipment, are highlighted in the latest Economic Trends Report submitted by the U.S. Embassy in Khartoum.

Until last June, the economic relationship between the U.S. and the Sudan was dominated by the AID program, which together with Food for Peace programs had pumped about $106 million into the country since 1959. The Sudan was one of AID's major-emphasis countries in Africa, aiming for rapid economic development.

U.S. private investment is and has been negligible. Exports to the Sudan (including U.S. financed commodities) have recently been in the range of $12-17 million annually while U.S. imports typically are much smaller.

In the midst of the June war the Sudan joined four other Arab countries in breaking diplomatic relations with the United States and subsequently all U.S. assistance programs to the Sudan were suspended.

However, the two nations agreed that normal economic, commercial, consular, and cultural relations would continue despite the rupture in diplomatic relations. The American Interests Section of the Netherlands Embassy in Khartoum has continued to provide commercial services and maintains a good working relationship with the major economic ministries and the Sudanese business community.

Americans coming back

After a few months pause, American business representatives began calling again in Khartoum last fall and now, with occasional exceptions, commercial relations go on about as normal.

Conditions are not presently auspicious for substantial increases in U.S. sales to the Sudan. Total imports decreased significantly (by about 21% in the first three quarters of last year) and the U.S. share dropped from 7.6% to 6.3%.

This probably reflects mainly the curtailment of U.S. assistance shipments in the second half of 1967, but also continued strong competition from the European Communist countries and increased purchasing from India and the Chinese People's Republic.

The U.S. has been a major supplier of agricultural, road and earthmoving equipment but faces increasing competition in the standard models due to lines of credit on very favorable terms offered by some governments and bilateral trade agreements with others. (UAR, India, Czechoslovakia, German Democratic Republic, Hungary, and Poland have bilateral trade agreements with the Sudan. Sudan typically has a favorable balance in these accounts.)

Yugoslavia, for example, late last year received a large harvester contract from Sudan's cooperatives. The Romanians, new to the market, are understood to be the low bidders on a recent tractor tender published by the Public Agricultural Corporation.

American suppliers who normally require irrevocable letters of credit are at a distinct disadvantage vis-a-vis most other exporters, both from Communist countries and from Japan, U.K. and Western Europe who offer more liberal terms.

More details available

The complete texts of the Economic Trends Reports which appear in this issue are available for $1.50 apiece from the Clearinghouse for Federal Scientific and Technical Information, U.S. Dept. of Commerce, Springfield, Va. 22151. These reports contain tables of the latest economic indicators and, in some cases, more extensive textual matters than appears in INTERNATIONAL COMMERCE. Order by DIB number: **Hong Kong**, DIB 68-04-214; **Indonesia**, DIB 68-05-018; **Ireland**, DIB 68-05-192; **Italy**, DIB 68-04-042; **Japan**, DIB 68-05-117; **Malagasy Rep.**, DIB 68-04-265; **Malaysia**, DIB 68-05-109; **Singapore**, DIB 68-05-118; **Sudan**, DIB 68-04-270; **Switzerland**, DIB 68-05-076; **Trinidad**, DIB 68-05-168; **Tunisia**, DIB 68-04-110; and **Zambia**, DIB 68-05-017.

It seems clear that the Sudan with its increasing acreage of large government-owned and cooperative plantations will continue to be a growing market for the accessories of modern agriculture—tractors and other equipment, earthmoving machinery for irrigation works, pumps and water drilling rigs, fertilizers, insecticides, and crop spraying services. The size of government tenders for supplying these plantations—some in the hundreds of thousands of dollars—make Sudan a market that should continue to attract the American exporter.

The World Bank currently has under consideration a loan for a Mechanized Farming Scheme in the Gedaref area, and other schemes mentioned above should be kept in mind.

Railways buying equipment

Sudan Railways, which has received more than $70 million in World Bank loans, is now reviewing tenders for the supplying of new mainline and switching locomotives and rail cars. As the nation's largest corporation and major internal transport facility, the railway will certainly continue to be a significant purchaser of new equipment.

Due to recent faltering of the railway, the trucking industry is now moving substantially into the all-important shipping of goods from Port Sudan to Khartoum. Heavy duty trucks that can withstand the wear and tear of desert tracks and can go through deep sand should be in much greater demand. Requirements for road construction and maintenance equipment should also increase.

Parts and tires for farm and automotive vehicles will continue to have a growing market. American tire firms recently have begun to consider supplying Sudan from Indian plants, taking advantage of the bilateral trade agreement and lower transportation costs.

Other products which should have a growing demand are general purpose aircraft (for air taxi and agricultural use), possibly boats and boat motors (pleasure and fishing), meat packing and freezing equipment, medical equipment and pharmaceuticals.

There is more interest recently in developing tourism in the Sudan. With the country's delightful climate from November to March, American know-how

could certainly assist in improving tourist facilities to attract some of the flood of tourists that visit neighboring African countries in rapidly increasing numbers. For many parts of Europe, Sudan offers the nearest warm weather area for escape from the cold winter.

U.S. imports from the Sudan are limited normally to gum arabic, hides and skins and a small quantity of cotton. Due to special world market conditions, the Sudan sold $5.4 million in long staple cotton to the U.S. in 1967 compared to $1.6 million in 1966. In any case the 1967 level of cotton exports is not likely to continue but Congress may enact a bill now under consideration which would eliminate cotton quotas for Sudan and the UAR.

Agriculture and grazing continue to produce about half of the total national product and in addition agriculture is estimated to provide 30-40% of modern sector income. A combination of good rains and favorable world market conditions for cotton in the 1967/68 crop year, Sudan has experienced its most prosperous season for some time. Fears of famine and a poor year for business have been allayed. Retail sales are good and imports fairly high. Exports are up with cotton last year providing about 60% of the Sudan's total export earnings. Peanuts, gum arabic, sesame seed, and oil cakes are the other significant items sold abroad.

Industry in the Sudan is a source of great expectations but also great disappointment. Considerable investment activity, foreign and domestic in the late 1950's and early 1960's gave it the typical developing country configuration of plants: sugar (2), cement, cotton textiles (2), beer, shoes, flour mills, cotton gins, oil seed mills and a petroleum refinery, all of which supply at least a substantial share of the local market. Few of these plants are believed to be profitable and in the last few years a combination of economic and political factors including the Middle East war have brought new industrial investment almost to a standstill.

There is, however, a fairly steady stream of European and American businessmen through Khartoum looking for new opportunities—gum arabic refining, fertilizer manufacture, truck assembly, meat freezing and another air conditioner assembly plant are all under active consideration at the present time.

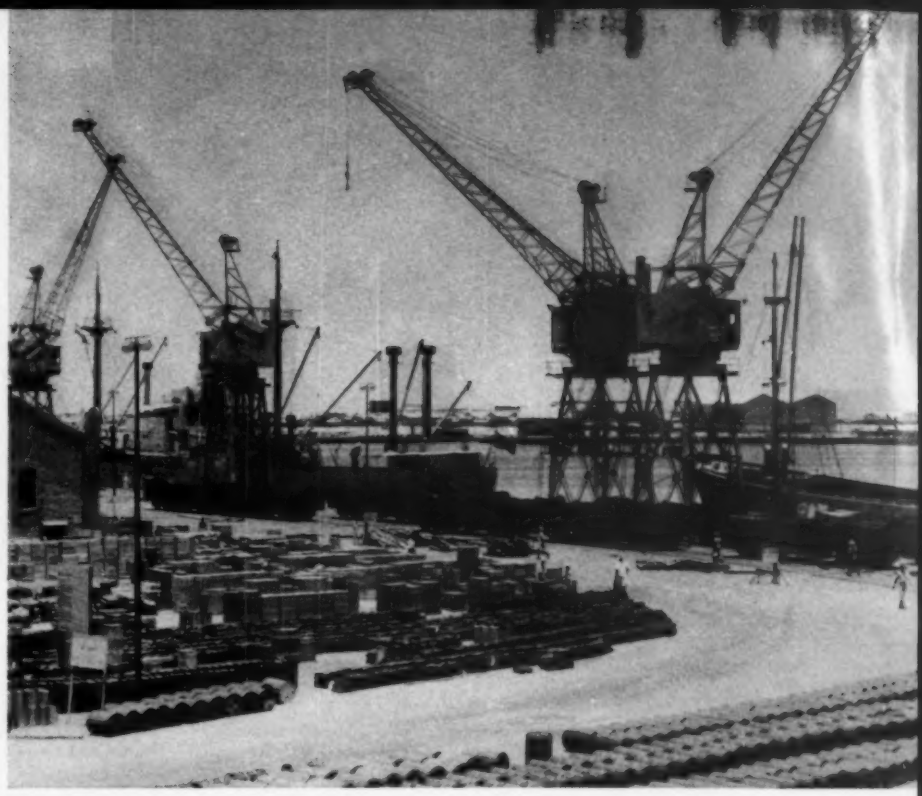
Mining is at present a negligible factor in the economy but there is considerable recent interest in the quest for metallic ores and petroleum. The UN Development Program is providing a geological team to carry out a survey in Darfur, Northern and Kassala provinces over the next several years.

A local associate of two U.S. oil firms has petroleum exploration concessions on the Red Sea coast and is carrying out an aerial survey in that area and in the northwest corner of the country. Considerable interest has also been aroused in the mineral deposits discovered in the depths of the Red Sea between Port Sudan and Jidda, and one Sudanese-American firm has exploration rights.

If substantial economic growth is to take place, a much greater mobilization of domestic and foreign capital and reorganization of development planning mechanisms within the government will be required. Preparations for the new plan period beginning in 1970 are lagging at present.

When one considers the resources, tapped and untapped, and the favorable and unfavorable economic trends in recent years, the role of government is vital. Over the 12 years since independence, the Sudan with civilian and military regimes, has been striving to formulate the goals and form of government best suited for the new nation.

But, without having decided upon the economic system it wishes to follow, the government through statements, published plans, and actions influences almost all economic activity. Recent governments have created uncertainty by oft-repeated threats to Sudanize the

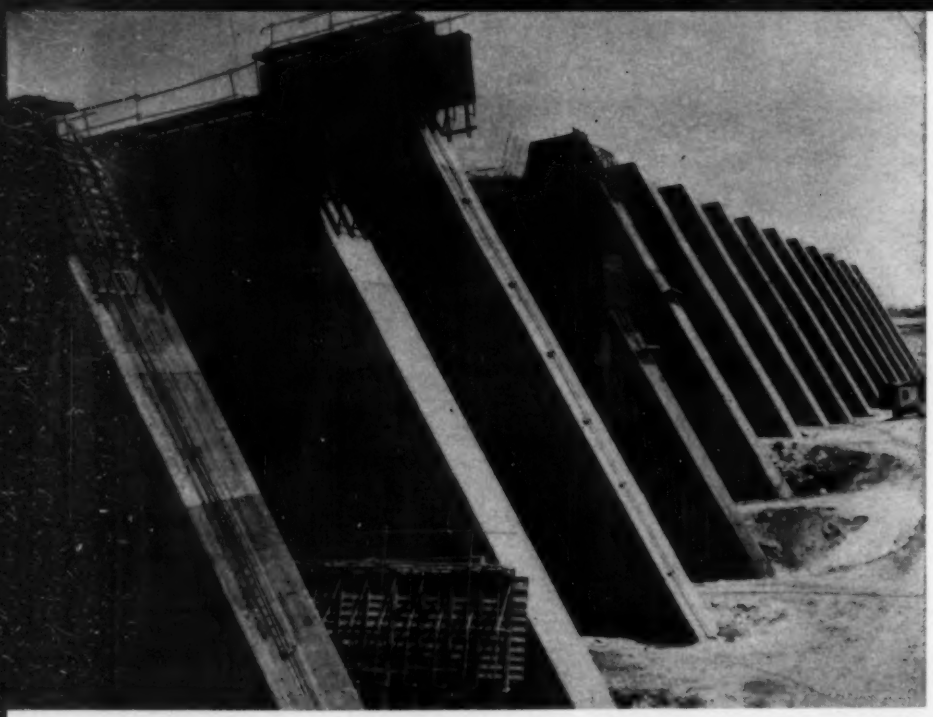


TRANSPORT IS CRUCIAL to the Sudan, where most imports must be shipped across 500 miles of desert from the nation's only port to the Khartoum area. Above, cranes at Port Sudan. (World Bank Photo.)

Highest potential

The investment of some half a billion dollars in loans and grants by the World Bank, the U.S., Germany, and other donors over the last decade or so is some indication of the agreement among economists, bankers, and politicians that the Sudan is a country with a very substantial development potential. In fact some claim that it has the highest potential in Africa and could be the breadbasket of the Middle East.

Clearly there are still tens of thousands of acres of fertile, unused land waiting for the plow and in some areas the irrigation ditch. Additional Blue Nile waters are available now from the new Roseires Dam and more can be provided by further water resource development.



WATER AND ELECTRICITY SUPPLIES are satisfactory in Sudan's major centers, and a recent World Bank loan will add new power facilities to the Roseries Dam, shown above (World Bank Photo).

banks and the export-import trade and to take over the private cotton estates for the cooperative sector.

The new Organization and Promotion of Industry Act of 1967 on one hand offers generous incentives and protection to the foreign and local investor while at the same time permitting the Ministry of Industry to become deeply involved in plant management. Without firm commitment by the government to foster the private sector, expansion has been rare and much of the business community is on the defensive.

Its new investment promotion law reflects the Sudan Government's ambivalent attitude toward private foreign investment. It is still too early to know how it is intended to combine the law's incentives with strict regulation.

Joint ventures preferred

Difficulties which foreign firms experience in repatriation of profits, with Sudanization of trade, and pressures to minimize expatriate staff are not encouraging to the new investor. In any case joint ventures between American and Sudanese firms would probably be the preferable form of organization. But the number of Sudanese with sufficient interest, know-how, and capital is still small.

However, two American companies have recently applied for and received mineral exploration concessions. Discovery and development of exploitable quantities of petroleum or other minerals by these firms could radically change commercial relationships between the Sudan and the U.S.

American investors should not overlook the long term potential of the country and look seriously at ventures for livestock together with raising feed crops, meat packing and freezing for export, and possible fruit plantations.

An American group, World Homes, Inc., including former Governor Avery of Kansas, came to the Sudan last year under AID sponsorship and left extremely enthusiastic about the livestock potential.

Other areas for possible American-equipment sales or investment are in fertilizer plants, sugar mills, cotton gins, oil seed mills, pharmaceuticals, and tourism.

Perhaps more than most countries, the future of the Sudan economy is tied up with communications. The natural wealth and population of the country is concentrated away from its only port across 500 miles of largely worthless desert, over which there are almost no roads. The British and subsequently the World Bank have heavily invested in modernizing the Sudan Railways, but in recent months they appear to be faltering badly. Crops are not moving to market, petroleum stocks in the major cities are minimal and transit delays are regularly 2-3 months for shipments from Port Sudan to Khartoum.

Public criticism of the government-owned railway is mounting, but so far there is little evidence of effective efforts to improve this ill-maintained and poorly-managed corporation, plagued by slowdowns and non-cooperation from the country's largest and most powerful trade union.

Water and electric supplies in the major centers are satisfactory (though electricity is expensive) and the World Bank has just approved a new $24 million loan to construct additional power facilities in Khartoum and hydro-electric capacity at the Roseries Dam, 200 miles up the Blue Nile.

Throughout the private and public sectors there has been a slowdown in investment in recent years. Two dams and associated expansion of agricultural schemes, major parts of the Development Plan have been completed. New foreign loans required for projects such as the proposed $130 million Rahad irrigation scheme on the Blue Nile above Khartoum await World Bank or other financing.

No one knows the real potential of the southern third of the country, still largely economically dormant and immobilized by civil unrest. However, the security situation in the south seems improved in recent months.

Help from IMF

Faced with a balance of payments crisis that brought foreign exchange reserves down to $40 million in September 1966, the Sudan requested assistance from the IMF. A 1966 standby arrangement under which the Sudan was loaned $28.5 million by the IMF accompanied a stabilization program. Aspects of the program include accelerated sales from large cotton stocks, credit restraint, new taxation, restraint in recurrent government expenditures, and limitations on bilateral trade agreements and other restrictive trade measures.

In sum, despite political uncertainty and lack of clear direction in Sudanese Government policy toward the economy, the Sudan remains a good if small market for a specialized group of American products, mainly connected with large-scale agriculture.

With the great similarities between agriculture in southwestern U.S. and the Sudan and the substantial number of American-trained Sudanese agriculturists, there may well be a greater future for sales and other cooperative endeavors for American business in developing new farming projects and in the processing and export of agricultural products to a hungry world.

Fourth-quarter upswing in Swiss economy continues into this year as investment, imports increase

Labor-saving machinery offers best opportunities for U.S. sales; imports from United States rose sharply in early '68

Switzerland's gross national product last year grew by only 1.7% in real terms, the smallest gain in many years.

Domestic demand rose more than in the preceding two years, largely as a result of expanded governmental spending but the increase was satisfied substantially by a rise in imports rather than through growth of domestic production, according to the latest Economic Trends Report from the U.S. Embassy in Bern.

In the fourth quarter, however, GNP rose more rapidly. Investment rose much faster than in the first nine months, and exports, with only a 5.9% increase in the first three quarters, rose in the fourth 9.1% over the final quarter of a year ago. This trend seems to be continuing.

Labor-saving machines needed

A pick-up in industrial investment and the accompanying increase in imports of capital goods provides good sales opportunities for U.S. exporters of machinery and equipment. The greater labor mobility provided by the new foreign labor decree will permit the more dynamic Swiss firms to increase employment, but the labor market will still remain so tight that the emphasis in investment will be on labor-saving equipment and machinery.

The recent trend in Swiss imports from the United States has followed the trend in industrial investment. After declining by 10.5% in the first nine months of last year (relative to the corresponding period of the previous year), Swiss imports from the United States rose by 11.7% in the fourth quarter and increased by 13.7% during the first two months of this year.

The new foreign labor policy, by increasing the mobility of labor, will make it possible for U.S. firms in Switzerland to draw more labor from the Swiss labor market. There is no change, however, with respect to the bringing in of executives from the United States or establishment of new U.S. firms or offices in Switzerland. Such cases will continue to be decided individually.

The Swiss Government's policy of reducing the foreign labor force, which has resulted in a decline in the total industrial work force, has encouraged structural changes in the economy. The export-oriented industries, organized to produce for a larger market, have been more successful than the domestically oriented industries in competing for available resources. Thus the main increases in investment and in production have been in the chemical and watch industries and in those parts of the machine industry producing Swiss export specialties.

At the same time, other industries are becoming relatively less capable of satisfying the growth in demand. The growth of Switzerland's export industries goes hand in hand with an increasing need for imports of manufactured goods.

Following a decline in real value terms in 1965 and 1966, gross domestic investment rose by 0.5% in 1967. There were respectable increases in investment only in the chemical industry, watch industry, building materials, and in public works; investment in other fields either stagnated or declined.

Fourth-quarter revival

A sharp revival in industrial investment began in the fourth quarter, however. Capital goods imports, which declined by 3.4% in the first nine months of 1967, rose by 7.8% in the fourth quarter and jumped 15% during the first two months of 1968.

With the size of the foreign labor force virtually frozen by the Government's controls on the employment of foreigners and with the Swiss labor force continuing to move out of industry and into service occupations, manufacturers are prompted to concentrate their investment in improved machinery and equipment rather than plant extension. Thus industrial building permits shows a decline in the volume of new plant floorspace but an increase in the number of permits for new technical installations.

Following an unusual rise in the first nine months of 1967, the volume of consumer goods imports and retail sales leveled off in the fourth quarter; but imports picked up again in the first two months of this year. With full employment and with wages rising faster than the cost of living, the prospects for continued growth of consumer demand are good.

Labor market tight

The Swiss Government's restrictions on employment of foreigners have kept the foreign labor force practically constant. The August 1967 and February 1968 censuses of foreign labor showed virtually no change in the total number of "controlled" foreign workers (those without permanent resident status), although the number of seasonal workers declined due to stagnation in the construction industry, and border-crossers, who are exempted from the employment restrictions, increased. As the Swiss labor force is not increasing either, increased production is dependent entirely on improved productivity.

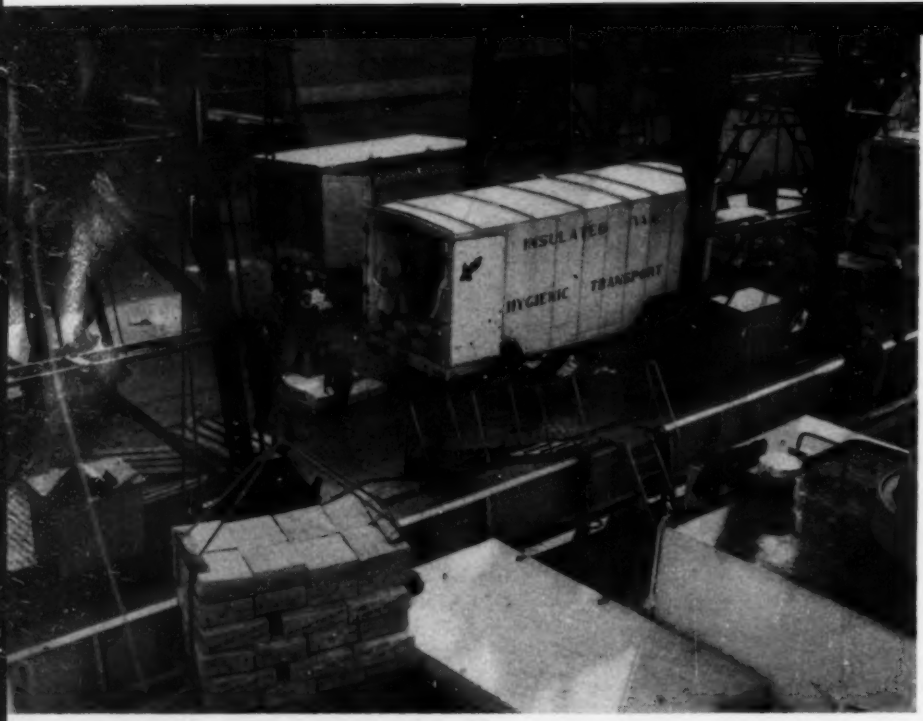
The Government's foreign labor program for 1968 is expected to keep the number of foreign workers in the country practically unchanged but to increase labor mobility. Foreigners who have worked in Switzerland seven years or more will be free to change jobs and will no longer be counted against the firms' foreign labor quotas. Ceilings on total employment by Swiss firms have been dropped.

In the past, the artificial restriction of the demand for labor has caused wage levels to be influenced mainly by the trend of the cost-of-living index. Thus, wages increased less in 1967 than in 1966 as the rise in the cost of living slowed down. As labor mobility increases, however, the increase in effective demand for labor should exert an upward pressure on wage levels.

Consumer prices level off

Long after the overheating of the economy had been brought under control the continued rise in the cost of living remained a problem. Recently, however, the increase in consumer prices has been leveling off. The consumer price index rose by only 4% in 1967, compared with 4.7% in 1966. In the 12 months ending Mar. 31, 1968, the rise was only 3.4%.

Items making the largest contribution to the rise in the index were the increase in the price of fuel oil resulting from the closing of the Suez Canal and the rise in rents.



AT DUBLIN PORT, part of cargo of 1100 tons of frozen meat is being loaded for shipment to U.S.

Ireland expects another advance after 1967 rally ended two-year recession; U.S. prospects mixed

Government continues to invite manufacturers who will produce for export; sales of U.S. goods may suffer from devaluation

The Irish economy appears to be headed for another good year, after a 4% boost in gross national product during 1967 ended a two-year recession. The latest Economic Trends Report from the U.S. Embassy in Dublin says that an equal or greater rise in national output is expected for 1968.

Ireland continues to provide a good political and economic climate for U.S. industrial investments geared to produce for export. However, there are instances of foreign firms having difficulties regarding the rights claimed by labor unions to organize workers.

Possibilities for U.S. firms entering into licensing agreements with Irish manufacturers also exist, as Ireland seeks to broaden and diversify its industrial export-orientated base.

The improvement in Ireland's external trade situation which led the economy in 1967 has been termed "remarkable". Estimates are that 1968 will also be a favorable trading year for Ireland, although exports are likely to grow at a lesser rate while imports will increase at a higher pace.

In 1967 there was an overall reduction in the visible trade gap of £21 million as exports (excluding re-exports) rose sharply to £275.6 million (up £40 million or 16% in 1966) while imports at £390.5 million were only moderately higher (up £18 million or 5%) than those for the previous year. The import excess in 1967 was £114.8 million (£136.2 million in 1966).

U.S. exports into Ireland can expect stiffer competition as a result of devaluation. Generally speaking Ireland will seek to increase her imports from devaluing sources in respect of raw materials, consumer goods and capital items.

Consumer goods have not figured prominently in U.S. exports to Ireland and devaluation adds to the difficulty of entering the market. The "America Week" conducted by a leading Dublin department store in October identified additional items of U.S. manufacture which attract Irish buyers. Devaluation, however, dampened the prospects for the short-term at least.

Ireland will increase its efforts to sell to non-devaluing countries. Its promotional efforts are stepping up and the Government is attempting to improve the quality and scope of Export Board assistance to exporters, so as to maximize the benefits of devaluation. Sales of consumer goods to the U.S. market are likely to increase.

Ireland's expected industrial expansion and modernization will require heavier imports of capital equipment and goods. Hopefully, devaluation will not seriously affect Irish purchases of such items from the U.S. because of America's quality competitiveness in the field. U.S. firms should not overlook the possibility that Ireland's growing and modernizing industrial sector could also offer opportunities for the sale of industrial and business services. However, traditionally Ireland tends to provide its own engineering services.

Invisible earnings, plus capital inflow, resulted in the first balance of payments surplus for Ireland since 1961, and only the third since World War II.

The short-term prospects for sales of U.S. agricultural products in Ireland are not good, particularly for grains, which in recent years have accounted for 50% of Ireland's agricultural imports from the U.S. Irish wheat production was up 50% in 1967, thus reducing the demand for imported milling wheat and also feed grains because 20-25% of the Irish wheat crop has been diverted for food. Further, lower prices of EEC feed wheat will work against sales of U.S. grain sorghum in 1968.

The already substantial sales of U.S. unmanufactured tobacco (90% of Irish tobacco imports) cannot expect much growth in 1968 inasmuch as Irish overall consumption of tobacco appears to be static.

U.S. sales of soybean meal, another important U.S. export to Ireland, can expect a moderate increase in 1968 because of an expected upturn in Irish hog production.

Sales of U.S. fruits—apples, raisins—have grown in Ireland in recent years. However, U.S. apple sales have slowed in 1968—losing out to French apples because of high U.S. prices. California

raisin sales can be maintained in Ireland only if prices are kept competitive and if advertising and promotion are intensified.

Sales of U.S. canned fruit have declined each successive year and probably will continue to do so in 1968, losing out to Australian and South African products because of its non-competitive price and lack of promotion.

In recent years Ireland's trading pattern has involved getting 50% of its imports from the UK (including Northern Ireland) and sending 72% of its exports to that market. Additionally, however, Ireland has been developing its export trade into markets other than Britain so that now goods go as far afield as Venezuela, New Zealand, Australia, Japan, the rest of Europe and North America.

In the short-term this pattern is not expected to change significantly. In the longer run, however, the pattern may well change as provisions of the Anglo-Irish Free Trade Agreement take further effect and if Ireland becomes a member of the EEC.

Impact of devaluation

A more immediate problem is the likely impact of devaluation on Ireland's foreign trade, given its present pattern. The value of Ireland's trade with the U.K. is almost evenly balanced. Consequently, almost the whole of Ireland's visible trade deficit of about £100 million in 1967 is attributed to her trade with other countries, most of which did not devalue. Thus, devaluation could well have an adverse effect on Ireland's trade. However, some observers minimize the degree of the effect, pointing out that devaluation should stimulate Ireland-UK trade in both directions, thus repiacing some of Ireland's imports from non-devaluing countries.

The U.S. can expect strong competition from Irish dairy products in world markets in 1968. This is particularly true for nonfat dry milk. Irish milk production increased rapidly in 1967 and Ireland has a serious surplus of dairy products which it is making a strenuous effort to sell abroad.

Tourism is of great importance to Ireland, accounting for 5.4% of its GNP in 1967 and estimated to be four times the national European average.

Currently there is, as commentators state it, "a refreshing realism" developing about "the certain approach of free trade." They refer to the increasing, oncoming effects of the Anglo-Irish Free Trade Area Agreement (1965), Ireland's recent accession to the GATT and the eventuality of EEC membership. Ireland's Minister for Industry and Commerce often points out that the outlook for the future "does not permit any relaxation of our efforts to adapt, modernize and to increase productivity and exports in order to meet effectively the challenge set by the continuing trends towards freer trade".

Import growth likely

Imports are expected to increase substantially (estimated overall at 9.3%) in 1968 because of a faster rate of growth of total domestic demand, much of which will probably involve components with a high import content, such as personal consumption, enterprise investment and non-agricultural inventory building. Further, the import content of the expected increase in exports in 1968 will likely be higher than in 1967 because agricultural exports may well constitute a lesser proportion of the increase in overall volume of exports.

Materials for further manufacture, needed in an expanding economy, made up the bulk of the modest increase in imports; imports of consumer goods and investment goods, such as machinery and transport equipment, rose only marginally.

The United Kingdom, including Northern Ireland, provided about 50% of Ireland's imports and absorbed approximately 72% of exports in 1967. This pattern is likely to be repeated in 1968.

Ireland's exports to the United States in 1967 (£25.8 million or 9.3% of total exports) showed an increase of 58% over 1966 (£16.3 million), mainly through a substantial growth in sales of frozen beef.

Imports from the United States in 1967 (£31.5 million or 8% of all imports) were down by about 10% from 1966 (£34.9 million). Agricultural products represented 40% of the total. Advance figures for the first three months of 1968 show both imports and exports running 15% ahead of their 1967 levels.

It is Ireland's policy to provide attractive incentives to promote the establishment of factories to sell primarily in export markets. The package of existing incentives is a comprehensive one, which the Economic Commission for Europe has judged goes further than that of any other country in Europe to encourage export industries and attractive private capital. The package includes cash grants (as high as 65% of costs) towards the fixed costs of new industries, interest free loans, grants toward the cost of training workers, and a ten-year exemption from taxation on profits from exports (a reduced rate for the following five years). More and simplified incentives are envisaged.

The industrial estate at the Customs Free Airport at Shannon provides additional attractions. In the nine years since the start of the program through 1967 some 275 enterprises with foreign participation have started up in Ireland, almost all export-oriented. Sixty-two of them were established in 1967 alone, twenty-six more were under construction at the end of the year. British (40%), German (20%), American (16%) and Dutch (5%) firms have predominated in the program.

In addition to its efforts to attract new industries, especially those which are export oriented, Ireland works at ensuring the modernization, enlargement and adaptation of industry to meet freer trade conditions. A system of Adaption Grants operated from Dec. 1961 to Sept. 1967. The process is to be carried on by a new scheme, more simplified and streamlined, for which legislation is now in the making.

Government and banks have agreed on arrangements to facilitate the provision of working capital for small industries.

Agriculture still on top

Agriculture remains Ireland's most important industry, notwithstanding the greater coverage and emphasis given the developing manufacturing sector. Irish Government policy recognizes agriculture as the mainstay of its economy and it is important in the formation of capital and as a source of current resources for development of the industrial sector. One-third of the working population is employed in agriculture and one quarter of Ireland's gross national product and about 60% of its total domestic exports are derived from this sector.

The overall effects of devaluation to date are not readily apparent. Those assessing the Irish economy at this time acknowledge that the development improves the competitive position of Irish exporters, especially those interested in EEC and North American markets. There is caution, however, due to the fact that industry costs are higher because of the increased prices of imported raw materials and their freight rates.

Industrial capacity still has some slack and is capable of expanding production for both export and domestic markets. The growth of the working population and the continued outflow from agriculture provide an adequate labor supply. Available credit was under-utilized in 1967 and the banking system is currently exceptionally liquid.

Italian rally continues

Economy sustained strong growth in 1967 despite general European slump

In contrast with relatively uninspiring economic results in most other European countries, Italy in 1967 completed another year of substantial economic expansion. While final calculations are not yet available, the estimates are that GNP, in real terms, grew by 5.9%, according to the latest Economic Trends Report submitted by the U.S. Embassy in Rome.

Scattered statistics for the first two months of 1968 indicate the growth rate is being maintained and that the slackening in industrial output in late 1967 may prove temporary.

Italy's balance of payments was still in substantial surplus in 1967, although the positive balance of $324 million represented a reduction of more than half from the surplus balance of almost $700 million shown in 1966.

The 1967 Italian foreign trade picture was chacterized by a steady expansion of both imports and exports and a continued shift in the trading pattern in favor of EEC. In 1967 Italian imports increased by 12.9% over the previous year, reflecting the country's general prosperity and the sustained high level of economic activity.

Trade data confirm the continuation of the previously reported trend of expanding commodity exchanges between Italy and other Common Market countries, which now account for 35% of total Italian imports and 40.6% of the value of total Italian exports. The gradual elimination of import duties among members of EEC is bound to increase further the marketing advantages in Italy enjoyed by the other five countries of EEC.

The change in trading positions was particularly evident in the case of West Germany, Italy's principal supplier, which increased its exports to Italy in 1967 by 16.9% over the preceeding year. Similarly, Italian imports from France increased noticeably, as did those from the Netherlands.

Imports from U.S. decline

On the other hand, imports from the United States registered a modest decrease (2.4%) from 1966. It should be stressed, however, that in spite of this slight drop, Italian purchases from the U.S. in 1967 once again exceeded $1 billion.

Lower Italian imports of U.S. corn, coarse grains (down more than $100 million) and coal accounted for the net loss of business, despite gains in other sectors. The volume of sales in the Italian market of most other American products increased, notably shipments of items such as cotton, oil seeds and oil cakes, airplanes and parts, telecommunications field, cosmetics, in the production of machine tools, plasterboard, electronics, chemical products and pharmaceutical specialties.

There were also numerous licensing agreements between American companies and Italian firms.

Based on the experience of the Milan Trade Center, market studies and opinions of American businessmen who have investigated the market, good sales opportunities for industrial products continue to exist, particularly for data processing equipment, scientific, medical and electronic equipment and telecommunications products.

Steam and pressure cleaners should continue to enjoy a good demand, especially portable pressure units. Brake drum equipment and wheel alignment and balancers also have good sales prospects. Other items with market possibilities include frame machinery, dynameters, safety metal cutting devices and vapor injectors and stabilizers, automotive diagnostic and safety equipment. Extended sales are likely for new items with special or unique features such as portable transitorizer testers, electronic shaft balancer and multi-tester.

Warranting attention for sales development are wire handling and marking devices, cleaners and chemicals and photoetchers for printed circuit forming. Indications are that the Italian market for electronic products will continue to expand.

The wheat crop wintered very well and the outlook is for a record crop of from 10-11 million tons this year. With large stocks on hand and a bumper crop in the offing, imports from all sources, including the United States, were very slow during the first quarter of 1968.

Corn stocks remain at high levels. However prices are in a declining phase for poultry, dairy products and livestock and there has been a consequent softening in the market for imported feeds.

Although statistics are lacking at this time, it is felt that imports of U.S. soybeans and soybean meal have not been affected by the factors affecting corn imports; imports of these products continued on their upward trend.

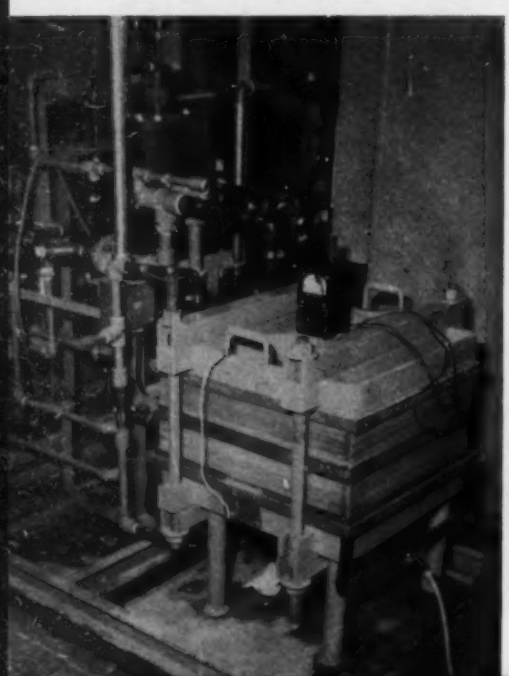
By and large, the Italian business community looks to future economic developments with moderate optimism. Economic observers and government officials anticipate that 1968 Italian imports will rise by 10 to 15% above last year's level.

Briefly, balance of payments data (on a transactions basis) for 1967 show an increase in the trade deficit from $995 million in 1966 to $1,120 million in 1967. Tourism, affected by the June war, UK travel measures and the economic slowdown in Germany, fell slightly from $1,200 million to $1,126 million net.

Foreign trade data confirm the trend of expanding commodity exchanges between Italy and the Common Market countries, which now account for 35% of total Italian imports. Despite increasing competition from EEC countries as the final tariff barriers within the Common Market come down, U.S. exports to Italy are expected to be maintained at the 1967 level.

Both government and private interests will concentrate on promotion of investment in 1968. Significant government investment programs already announced

SPECIAL MACHINERY has market possibilities in Italy. Below, water desalination unit at Agrigento.



include major projects of school and hospital construction, road and port building. Government controlled entities plan enlargement and modernization of the telephone system, air transportation and radio-television operations.

Large amounts of private money are ear-marked for the chemical, mechanical, metal working, food processing and textile industries.

Among other important development projects is the agreement reached between the Italian government and private industry for the development of Southern Italy, the Bari-Taranto- Brindisi triangle, and Sicily.

Considerable investment activities which are scheduled to take place during the current year are bound to create significant commercial opportunities in many commodity sectors and particularly in those involving technology, automation and the use of technically advanced types of machinery and sophisticated equipment in general. Plant modernization and new factories will generate a growing demand for machinery designed to increase productivity. In many cases material will be procured abroad.

Italian industrial prestige received a boost from the award of the huge $622 million contract for the Tarbela Dam in Pakistan to an Italian-French consortium. While scheduled Kennedy Round cuts and the abolition of the final tariff barriers within the EEC will cause problems and readjustments, the general attitude of Italian industry seems to be that Italy is well placed to benefit from the market opportunities which these changes present.

Most observers believe that the balance of payments surplus will be eliminated in 1968 and some feel that even a small deficit may emerge. All agree that Italian reserves are sufficient to absorb a moderate deficit, should it materalize.

PORT CONSTRUCTION is included in Italian Government investment programs announced for this year. Width and depth expansion of the Ravenna port-canal shown above has now been completed.

Generally speaking, it is felt that the U.S. and British measures will have a substantial adverse overall impact—perhaps several hundred million dollars—with the heaviest burden falling in the capital account but some incidence is also expected on tourism and trade. On the other hand, it is felt that the Italian balance of payments will benefit greatly from an acceleration in economic growth in Germany, which is Italy's most important trading partner.

Italy's trade with Eastern Europe increased very sharply during 1967 as shipments reflected the success of Fiat and other Italian firms in opening new markets in the area. Italian exports to Eastern Europe rose 24.7% and imports were up 33.2%. Trade with Eastern Europe now accounts for 5.1% of Italian exports and 5.3% of imports.

On the other hand, the prolonged negotiations for the purchase of large quantities of Soviet natural gas on a long term basis, although often rumored to be on the point of conclusion, are still in progress and the press indicates that competitive suppliers in the West have now entered the bidding.

The cost-of-living index moved up 1.8% for the entire year, but during the last quarter the index remained almost stationary. The same was true of retail prices, although the increase in the retail price index for the year was 2.5%, based on a slightly larger rise during the first nine months of 1967. Wholesale prices dropped during the first half of 1967, but began rising again beginning in July, with the result that the price index closed out the year 1.1% above the level registered in December 1966.

There has been much public discussion in recent months regarding the outlook for the Italian balance of payments in the wake of sterling devaluation and of measures which have been announced to eliminate the U.S. balance of payments deficit. The greatest concern has been voiced over the reduced potential for Italian exports and receipts from tourism. There is widespread belief that American investments will not decline sharply, although they will be largely financed by Italian and other European capital.

Notwithstanding the pressures which the British and U.S. programs create, the Italian balance of payments continues to exhibit substantial strength. Although lower than in 1966, the overall balance of payments surplus last year still amounted to $324 million, and early indicators suggest a strengthening of the payments position in the first six weeks of 1968, with noticeable increases in earnings from exports and tourism.

Italian market studies

Market studies reveal that the Italian demand for U.S. plastic materials and machinery is excellent. Italian plastic manufacturers are seriously interested in U.S. production techniques, innovations and equipment. A strong future is foreseen for screen pack changers, for extrusion machinery and substantial sales may be anticipated for the portable water chillers utilized by plastic and rubber manufacturers. Italy also offers an excellent market for injection set presses for producing molded plastic parts.

U. S. Government Actions

New rules tighten AID's control over commodity purchases

Agency can now screen purchases before goods are shipped from U.S.

New procedures have been announced by the Agency for International Development to tighten control over AID-financed commodity purchases by developing countries. They permit AID to screen proposed purchases before the goods are paid for or shipped from the United States.

Under existing controls, AID clearly specifies commodities that are eligible or ineligible for AID financing. Whenever post audits disclose a transaction in an ineligible commodity, the Agency has made it a practice to make a claim for the amount involved against the government of the recipient country. The purpose of the new procedures is to prevent improper transactions before they can occur.

The new controls are effective May 13.

AID financed the export of $1.35 billion in American commodities during fiscal year 1967.

Under the terms of the Foreign Assistance Act, goods supplied through the foreign aid program must be provided as far as possible by private enterprise using private channels of trade to the fullest extent. Thus, when AID agrees to finance American generators for a power project, for example, or such things as American fertilizer, replacement parts equipment and raw materials for general economic growth, the goods actually move through private business channels.

Foreign importers deal directly with private American exporters and suppliers. On presentation of proper bills of lading and other required documents to one of more than 100 U.S. banks which handle AID letters of credit, the banks pay the U.S. suppliers and exporters, drawing on the AID loan or grant funds for the project or program.

The new procedure will require the filing by the supplier of a new form enabling AID to screen such proposed transactions before the supplier is paid and the goods shipped.

In the new form, the supplier will certify that he has received an order from a certain importer for a commodity which he describes in detail and that the goods will be shipped as described in every respect unless he submits a new statement. The supplier also will certify as to the new and first-quality condition of the commodity, and as to his citizenship and eligibility to participate in AID-financed transactions. The supplier will be paid only after the transaction is approved on the form itself by AID.

In Vietnam, because of the size of the commercial import program and the wartime conditions prevailing, special controls were previously imposed by AID and will be continued, along with the Washington screening.

Alliance loan for Mexico to make rails all-diesel

The Export-Import Bank and Nacional Financiera, S.A., the Mexican credit agency, have signed an agreement establishing a $20,670,000 Alliance for Progress credit to be used to purchase American machinery and equipment for the Mexican National Railways. Included among the proposed purchases are 51 diesel locomotives, signal and communications equipment, and machinery for track maintenance. The Mexican buyer has not yet selected all the suppliers.

Upon completion of this phase of the railway modernization program, the last of Mexico's steam locomotives will be retired from regular service. Since 1945 Eximbank has authorized over $270 million in loans to finance purchases of U.S. equipment and services for use of the Mexican National Railways.

Tariff Commission probing titanium sponge from USSR

The U.S. Tariff Commission is investigating sales of titanium sponge imported from the USSR, to determine whether this item is being sold in this country at less than its fair value.

A public hearing in connection with this investigation will be held on June 4 in the Tariff Commission's Hearing Room, Tariff Commission Building, 8th and "E" Sts. NW., Washington, D.C. Interested parties desiring to appear at the hearing should notify the Secretary of the Tariff Commission, in writing, at least five days in advance of the date set for the hearing.

New Orleans hearing to study foreign trade subzone plans

Site would be used to make variety of marine equipment

A public hearing on an application to establish a foreign-trade subzone in New Orleans will be held May 22 in New Orleans.

The Examiners Committee of the Foreign-Trade Zones Board will hear a proposal by the Board of Commissioners of the Port of New Orleans for a subzone on the west side of the Inner Harbor Navigation Canal, north of U.S. Highway 90 in the City of New Orleans.

Persons wishing to be heard at the hearing should file written requests to speak, as well as submit a written summary of their specific views and supporting data regarding the application. Five copies of each summary should be furnished.

Prior to May 15, requests to be heard and written summaries should be directed to Sidney R. Donner, Chairman of the Examiners Committee, c/o Executive Secretary, Foreign-Trade Zones Board, U.S. Department of Commerce, Washington, D.C. 20230. After May 15 communications should be sent to Mr. Donner, c/o The District Director, U.S. Customs House, New Orleans, La. 70130.

The hearing will be at 10 a.m. in Room 106, Federal Office Building South, 600 South St., New Orleans.

The proposed subzone in the Port of New Orleans contains an initial area of 150,937 square feet (3.47 acres) of which 120,579 square feet is covered space and 30,358 square feet is open area. The site is made available through a lease arrangement between the Port's Board of Commissioners and Equitable-Higgins Shipyards Inc. which proposes to operate facilities for manufacturing marine equipment, including floating containers, barges and vessels.

A copy of the subzone application is available for examination at the U.S. Customs House in New Orleans and in Room 6827, U.S. Department of Commerce, Washington, D.C.

Eximbank approves $46.8 million loans in Japan, Portugal

Proceeds will be used to assist jet aircraft purchases from Boeing

The Export-Import Bank has extended $46.8 million in loans to Japanese and Portuguese airlines to help purchase U.S. jet aircraft.

A $42 million credit was approved in favor of Japan Air Lines to assist in financing the purchase of six Boeing 747s.

Another $4.6 million loan was authorized to Transportes Aereos Portugueses, S.A.R.L. (TAP), the Portuguese flag airline, to facilitate the purchase of two jet aircraft with related equipment and services. The two aircraft, to be bought from Boeing, include one 707 long range airliner and one 727 medium range plane.

The total contract price of the transaction with Japan Air Lines is $146.3 million. The contract value of the Portuguese purchase is $14.3 million.

JAL will make cash payments totaling 36.2% of the contract price. In addition to the Eximbank credit, the Chase Manhattan Bank, N.A., will advance $46.7 million, and Boeing will participate to the extent of $4.6 million.

Under the terms of the Eximbank financing, TAP will make cash payments of $4.7 million prior to delivery of the new planes. In addition to the Eximbank credit, $4.8 million will be advanced by Morgan Guaranty Trust Co.

Eximbank announces change in new discount note rates

The Export-Import Bank of the United States has revised the rates on its new short term discount promissory notes, as follows:

Maturity Range: 30-59 days, 5.40%; 60-89 days, 5.55%; 90-179 days, 5.75%; 180-270 days, 5.75%; 271-360 days, 5.75%.

The Eximbank notes, as announced previously, are marketed and distributed by the following firms, all of New York: Lehman Commercial Paper Inc.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. and A. G. Becker.

Filing date extended in some investment controls

The Office of Foreign Direct Investments has announced that the time for filing revised base period reports has been extended from May 6 to June 10 for certain investors.

The new date applies to companies and other investors that used estimates in their original filing and are required to file another form containing the actual figures.

The base period forms are used for reporting foreign direct investments for 1965 and 1966, and foreign earnings for 1964-65-66.

A notice of the change in the filing deadline was published in the *Federal Register* of May 4.

U.S. feature films have good prospects in Indian market

Number of theaters showing foreign films jumped from 19 to 50 since '66

Receipts for American films in India are increasing because of the continued growth in the size of movie audiences understanding English, fascination for Western culture, increasing number of theaters showing foreign films, and the high quality of U.S. films.

There are now 50 theaters in India (31 more than in 1966) equipped to exhibit 70-mm. films, all of which show foreign films.

Imports of feature films into India rose from 198 in 1966 to 228 in 1967, with imports from the United States rising from 108 to 124. Other major suppliers of feature films in 1967 were Italy with 35 and the United Kingdom with 26.

The number of feature films produced in India increased to 330 in 1967, up 22 from the 1966 total of 308.

The Indian film producers' problems are becoming acute due to rising entertainment taxes, shortage of credit, the language controversy, and higher production costs.

At the end of 1967 there were 5,675 motion picture theaters in India (75 more than in 1966), consisting of 3,925 permanent theaters and 1,750 touring theaters. During 1968 another 25 to 30 permanent theaters are to be built.

West German firm loses export rights

Shipped fiber winding machines to Red China despite warnings

The firm Emil Blaschke & Company GmbH of Stuttgart, West Germany, and Emil Blaschke, general manager and part owner, have been denied U.S. export privileges for one year for violations of the U.S. export regulations.

The Department of Commerce's Bureau of International Commerce (BIC) said that the Blaschke firm, manufacturer of machinery for processing synthetic fibers, received seven winding machines from a U.S. supplier early in 1966. The invoice for the machines contained a notice that under U.S. law the machines could not be reexported from West Germany without authorization from the Department of Commerce. Later notice was given in detail of the reexport restrictions.

Notwithstanding these notices, respondents incorporated the machines into other units which they reexported to Communist China.

After the one-year denial period, respondents will be on probation for three years. During the probation period their U.S. export privileges will not be restricted but in case of a violation during this period their export privileges may be summarily revoked.

In administrative proceedings that resulted in the order, the respondents denied they were aware of the reexport restrictions, but the BIC hearing officer discounted this claim.

The order revokes all outstanding export licenses in which the parties have an interest and they are prohibited for one year from participating in any transactions involving commodities or technical data exported or to be exported from the United States. The order also applies to their agents and employees.

French trademark law has August 1 deadline for users

An important deadline under French trademark law will be reached on Aug. 1, when a special application period to assist trademark users expires.

The current trademark law, which became effective Aug. 1, 1965, provides that the first applicant to register a trademark obtains the right to its ownership and that use of a mark grants no right of ownership to the user.

Valid trademark registrations in France that were in effect on the effective date of the new law continue in effect for 15 years. Duration period for new marks registered under the law is 10 years, renewable indefinitely.

As a transitory measure, the law also provides that a person who does not own a valid registration of a trademark in France on the effective date of the new law, but who, nevertheless, has established rights in that trademark in France under the earlier law by use, will have three years from that date within which to file a special application for registration of the mark in order to preserve his previous rights acquired by use. It is this grace period that will be terminated on Aug. 1.

After Aug. 1, rights in a mark can be acquired in France only by the first filing of an application to register it; prior use by itself does not count. The earlier French law, which had been in effect since June 23, 1857, recognized first use or first application to register as alternative bases for establishing trademark rights.

Implementing a provision in the "Paris Union" Industrial Property Convention which is intended to protect well-known marks against unlawful appropriation in member countries, the new French law also contains provisions enabling a person who claims to be the rightful owner of a well-known mark to take action for cancellation of an improper registration of that mark within five years after the date of filing.

However, in order to effect such cancellation, it appears that the rightful owner will be required to prove that the mark was publicly well-known as his mark in France before an application for its registration was filed by the other party.

Taiwan drops bond purchase requirement for importers

The Ministry of Finance of the Republic of China recently announced that in the new fiscal year beginning July 1 it will no longer float Patriotic Bonds.

This action affords some relief to Taiwan importers who were required to buy the equivalent of $0.03 of Patriotic Bonds for every $1.00 of imports.

As the bonds were only redeemable after expiration of the 12-year maturity date, importers tended to include the bond's cost in the price charged to ultimate consumers. The removal of the bond purchase requirement should lower the price of imported goods and thus make it slightly easier for foreign suppliers to sell their products in Taiwan.

Bolivia bans auto imports

Bolivia's Supreme Decree 8315 of Apr. 9 prohibits the importation of all passenger cars and station wagons until July 31, 1969. The decree will affect the public as well as the private sector, and vehicles for the diplomatic corps will be the only exception.

Jeep-type vehicles are not included in the prohibited category, and vehicles shipped prior to the date of the decree will be allowed entrance as long as they are cleared through customs before July 15.

This decree is designed as a temporary emergency measure to help correct an unfavorable balance of payments situation.

Korea to buy 30 U.S. diesel locomotives with Exim loan

A $4.8 million Eximbank loan to the Government of Korea will help finance the sale of 30 U.S. diesel locomotives to Korea National Railroads. The borrower has not yet selected the U.S. supplier.

Included in the proposed purchase, which has an estimated price of $6 million, are ten 1800 horsepower main line locomotives and twenty 800 horsepower switching locomotives, together with related spare parts. The Korean Government will make a cash payment and the U.S. supplier will be expected to participate in the financing.

Korea National Railroads already has 252 U.S.-made diesel locomotives financed through the U.S. Agency for International Development or its predecessor, International Cooperation Administration, between 1955 and 1965. Korea National Railroads provides the single most important means of internal transportation for the country, and further expansion of the system is essential to continued economic development.

Bulgarian trading group now in U.S. includes 9 officials

A Bulgarian trade mission headed by Deputy Minister of Foreign Trade Penko Penkov is touring the U.S. until May 24 to explore possibilities of increased U.S.-Bulgarian trade.

Other mission members include: Veselin Todorov, president of the Bulgarian Foreign Trade Bank; Krastu Valkov, general director of "Bulgartabac" (exports tobacco, tobacco products); Angel Kirkov, general director of "Pharmachim" (exports and imports drugs, essential oils, perfumery, cosmetics); Christo Goumnerov, general director of "Industrialimport" (exports and imports clothing and textile products); Krastin Krastev, deputy general director of "Balkancar" (exports, imports electric trucks, hoists, motor vehicles).

Also Georgi Georgiev, deputy general director of "Technoimport" (imports complete plants and equipment for various industries); Dobri Boshkov, chief of department of the Ministry of Food Industry; Boris Blagoev, chief of department of the Ministry of Foreign Trade.

The delegation is meeting with officials of banks, firms, and trade associations in 12 states and Washington, D.C.

Meetings are scheduled with the East-West trade subcommittees of the New York and Philadelphia Regional Export Expansion Councils, as well as with U.S. firms in the following industries: tobacco, cosmetics, materials handling equipment, textiles, food, and transportation.

For further information, consult either local Department of Commerce field offices or the Sino-Soviet Division, OIRE/BIC-898, U.S. Department of Commerce, Washington, D.C. 20230.

Malaysia cites 20 opportunities for U.S. investors

Investors are offered facilities and a wide range of incentives

Twenty industrial projects identified by Malaysia's Federal Industrial Development Authority (FIDA) offer promising investment opportunities for U.S. firms.

The projects located in the food, chemical, lumber, metal, engineering, and rubber industries, include opportunities for the production of chocolate preparations, dehydrated molasses, carbon black, glass, sodium chlorate, sliced veneer, furniture, tools, boats and rubber gloves.

The FIDA has complied a one page pre-investment survey that provides information on the market, present manufacturers and the availability of raw material for each specific opportunity.

Among the facilities offered U.S. investors by the Government of Malaysia are fully developed industrial estates, productivity training for management personnel, and industrial research facilities. In addition foreign investors are offered a wide range of incentives including income tax holidays, investment tax credits, export incentives, free transfer of capital and earnings, investment guaranties, tariff protection, import duty exemption and protection against dumping.

To obtain a list of the 20 industrial projects, U.S. companies are requested to **write**: Dr. Heinz Rudolph, Dir., Federal Industrial Development Authority, P.O. Box 618, Kuala Lumpur, Malaysia with a copy of their request to the Commercial Attache, American Embassy, Kuala Lumpur, Malaysia.

Belgium firm wants to make steel cargo containers

A long established manufacturer of bridges, structural steelwork, roofs, tanks, all kinds of containers, welded pipes, material handling equipment, and rolling stock is interested in licensing arrangements for the production of steel cargo containers.

Interested firms are invited to **write**: Mr. M. Lejeune, c/o Usines de Braine-le-Comte S.A., 22 Rue des Freres Dulait, Braine-le-Comte, Belgium. WTD.

Two Dutch firms interested in making various products

Two Dutch firms are interested in licenses from U.S. firms to manufacture products related to their field.

- A producer of stainless steel rings, flanges and blanks seeks licenses to produce all kinds of stainless steel, aluminum and copper products for industrial and household purposes. The Dutch firm is also a wholesaler of stainless steel sheets, bars and tubes.

Write: Nanninga-Staal, 6 Lorentzstraat, P.O. Box 51, Harderwijk, The Netherlands. WTD.

- A manufacturer of light metal high precision products such as aircraft parts, building components and panels for electronic equipment, containers and hospital equipment seeks licenses to produce air diffusers, especially heating, ventilating and air conditioning systems for commercial and industrial buildings; resuscitating and reviving apparatus, respirators and other non-electronic hospital equipment, including measuring and regulating apparatus; and light metal collapsible containers for internal and highway transport, plus the necessary materials handling equipment for these containers.

The firm, which also has a repair contract with the Netherlands Government involving mainly military equipment, has around 150 employees.

Write: Dr. H. J. J. Hofman, Commercial and Financial Manager, N. V. Lichtwerk, 1 Edisonstraat (P.O. Box 59), Hoogeveen, The Netherlands. WTD.

Spanish manufacturers seek arrangements with U.S. firm

- A Spanish manufacturer of textile equipment seeks an arrangement with a U.S. firm interested in utilizing its excess production capacity. The firm has approximately 70,000 square feet of space available for the manufacture of machinery or parts.

Write: Serra Saco-Lowell, S.A., Mallorca, Barcelona, Spain. WTD.

- A manufacturer of paints, enamels, and varnishes for industrial, marine and decorative purposes seeks licensing agreements with U.S. firms.

The Madrid company is particularly interested in producing special purpose paints.

Reportedly, the company is one of Spain's leading paint manufacturers and has been the exclusive supplier of paint products to the Spanish Navy for the past twenty years.

Write: Urruzola, S.A., Embajadoes 225, Madrid 5, Spain. WTD.

German firm wants license to produce heat exchangers

Licenses to manufacture newly developed types of heat exchangers for use by the chemical industry are sought by a producer of heat exchangers, steel containers and pipes.

The German firm markets its products in EEC, EFTA and other countries.

Write: Apparatebau Foerster & Co., 3 Homberger Str., 4322 Sprockhoevel, Duesseldorf, Germany. WTD.

Investment Assistance

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations published in the Federal Register for Jan. 3, as amended.

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. A (*), following the name of the foreign firm indicates that additional information is available from the above address.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington, D.C. 20230 or the nearest Department of Commerce Field Office.

World Trade Opportunities

Army recreation center in Germany seeks items

The Armed Forces Recreation Center in Munich desires to contact U.S. manufacturers or European representatives for the following items: napkins, paper, facial quality, light blue and white, sizes 1 ply 10x10", 2 ply 14x14" and 3 ply 16x16"; tablecloth, paper, waffle design, white, 50gr; towels, terry cloth, sizes 24x46", 36x10", 21x32", blue; carpeting material, rugs and runner, needlefelt type; upholstery material (textile and artificial leather); drapery material; winter and summer sport equipment and garments; general hotel and restaurant equipment and supplies; bedroom furniture for hotels; printing papers; and blankets.

Estimated annual dollar requirements is approximately $210,000.00.

The Armed Forces Recreation Center is a non-appropriated fund activity and an instrumentality of the U.S. Government. The Center operates U.S. Forces hotels, restaurants, ice shows, ski lodges, tennis courts, golf courses, camp sites, in the Berchtesgaden, Garmisch and Chiemsee areas in Germany.

Interested parties should write Headquarters, Armed Forces Recreation Center, Office of the Purchasing and Contracting Officer, 8 Muenchen 2, Marsstr. 30, Germany.

Guatemala invites bids for road improvement

The Government of Guatemala invites bids on restoration of the terracing, drainage, and paving of the Cuyotenango-La Maquina Highway (Project CDA-2TA of the Guatemalan General Bureau of Roads).

Bid deadline is May 28.

Funds for the project will be allocated from an outstanding credit line provided by the International Bank for Reconstruction and Development (World Bank).

Complete specifications may be obtained by sending 500 sheets of No. 16 mimeograph paper (letter size and 50 yards of 42" wide heliographic paper to Departamento de Bienes Nacionales y Licitaciones, 3a. Calle 3-49, Zona 1, Guatemala City, Guatemala, C.A.

Peru announces plans for Amazon anti-erosion project

The Government of Peru is requesting bids on a project to build an integral protective system to stop the erosion of the left bank of the Amazon River at the City of Iquitos, Loreto. The cost is expected to be about 156,000,000 soles ($4,030,000).

Bid deadline is June 10.

Plans may be purchased for 8,000 soles ($207) from Direccion de Obras Publicas, Ministerio de Fomento—4° Piso, Avda. 28 de Julio s/n, Lima, Peru.

Sweden invites suppliers for steel strapping system

Mr. Lennart Ellstrom, Rottneroskoncernen, Fack, Karlstad 1, Goteborg, has developed a system for loading and unloading mechanical wood pulp bales, which requires a steel strapping system meeting the following specifications: 1¼" width band, 0.031" thick, and a breaking load of 2,300 kilograms.

The company estimates that they will use strapping material at an annual value of 1 million kronor. (100 kronor = $19.50). The company intends to sell the loading and unloading system to other mills in Sweden and abroad.

Suppliers should contact Mr. Ellstrom for additional information.

Cyprus seeks airport weather report dissemination system

The Cyprus Telecommunications Authority, 1 Museum Street, P.O.B. 1929, Nicosia, Cyprus, invites tenders for the provision, supervision of installation and commissioning of a weather reports dissemination system for Nicosia international airport. Bid deadline is June 14.

Quotations should be made in Cyprus pounds (C£) c&f or f.o.b. Tenders should be submitted in triplicate not later than June 14, and should remain valid for a period of 45 days thereafter. Tender notification and description of contract may be obtained from the Cyprus Telecommunication Authority.

Iran to purchase cellulose film, cellulose acetate filters

The Iranian Tobacco Monopoly, Tehran, Iran invites bids for the following commodities:

Tender No. 3665 for 93,000,000 white cellulose acetate filter rods. Bid deadline 9 a.m. June 16.

Tender No. 3776 for 1,600 bobbins cellophane film, 7,500 spools red and blue tape, and 570 spools golden tape. Bid deadline 9 a.m. June 18.

Copies of tenders are available on a loan basis to firms located in the United States from the Chemicals and Allied Products Division, BDSA, Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-3529.

Spain seeks international bids for petroleum refinery project

The Spanish Ministry of Industry has announced an international tender for the construction and operation of a five million ton refinery in the Province of Vizcaya, Spain.

Bid deadline is July 27.

The framework for the new refinery was set forth in the Petroleum Refineries Policy (Decree 418/1968) of March 9, and specific details are outlined in the Ministry of Industry Order of March 27, published in the Boletin Oficial del Estado on March 29, page 4730.

Bids and information requests should be submitted to the Director General of Energy of the Ministry of Industry, Madrid. Correspondence preferred in Spanish.

Israel wants applicants to construct wharves

The Israel Ports Authority invites prequalification applications from contractors interested in the building of additional wharves at Ashdod Port. Deadline is July 15.

Project includes construction of 500- up to 1,000-meter lengths of wharves (with a water depth of about 12 meters), and construction of a 150-meter long shallow water wharf.

Contractors wishing to be included in the list from which firms will be invited to participate in the tender, are hereby invited to apply in writing to: Engineering and Development Division, Israel Ports Authority, Head Office, P.O.B. 20121, Tel-Aviv, Israel.

The following information should be included in the application: List of maritime works and their scope, executed by the applicant; list of floating and land equipment at the disposal of the applicant; and financial and legal status of applicant.

Ivory Coast to purchase sawmill, bids requested

Mr. Jean Albert Moufaouad, Societe Nouvelle Scierie de Koumassi, Abidjan, Ivory Coast, is requesting price lists for the supply and installation of a sawmill (without the building).

The following equipment should be included: (1) large capacity saw, diameter 130 to 160 cm, with a capacity of 1000-1500 cubic meters per month and capable of handling all species of wood (both hard and soft); (2) automatic electric sharpening machine for blades from 10 to 20 centimeters; (3) automatic circular saw; (4) traveling crane of 10 to 15 metric tons capacity; (5) electric winch of 10 to 15 metric tons capacity for snaking logs from lagoon.

Supplier must include complete installation and operator training for two to three months. Offer to include separately cost of equipment, c.i.f. Abidjan with proforma invoice, installation charges, expenses of training personnel. Replies in French only.

India to purchase grid-paper, grid epoxy base strain gauges

The India Supply Mission, 2536 Mass. Ave., NW, Washington, D.C. 20008, invites tenders for supply of isoelastic wire grid-paper base strain gauges, Constantan grids-Rosettes-epoxy base strain gauges and foil strain gauges of Constantan grid-Rosettes-epoxy base, required by the Director of the Central Mechanical Engineering Research Institute, Dargapur, India. Bid deadline is 11:00 a.m. June 12.

Tender documents can be obtained from the India Supply Mission upon request, referring to Tender No. B-3005/AID without charge.

Purchase against this tender inquiry will be made under AID Loan No. 168 and is therefore restricted to material of U.S. origin only.

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodtiy classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

- indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-624, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financia reputaton, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

195 Small arms

SWEDEN—Pistols, revolvers, rifles, shotguns. AB Th. Persson (retailer, wholesaler, exporter, importer), Arstad. WTD 3/68.

203 Canning, preserving foods

FRANCE—Fruit juice concentrates, frozen fruit juices, canned fruit juices, fruit pulps. Direct purchase and agency. Societe Sofranaf (importer, wholesaler, agent), 15, Rue du Louvre, Paris, 1er. WTD in preparation.

LIBYA—Canned fish, crab meat; boneless, dried and pickled fish; salmon, sardines, shrimps; canned baby food; chicken broth; soup; canned meat pies; pork and beans; fig and plum puddings; spaghetti; jams; edible jellies; fruit and vegetable juices; tomato paste and tomato sauce; frozen dinners (packaged); frozen meals; chicken. Ammar Zaptia (importer), P.O. Box 2517, Tripoli. WTD 2/68.

Spaghetti, soups, ravioli, puddings, canned fruits, olives, juices, canned vegetables. Direct purchase and agency. Sulieman Brahim Miscerghi (importer), Errashid St. No. 16, Tripoli. WTD in preparation.

204 Grain mill products

HONG KONG—Animal, poultry feeds. Luen On Hong (importer, wholesaler, retailer), 621 Man Yee Bldg. Cable: Luenonhong. WTD in preparation.

221 Broad woven fabric mills, cotton

SWEDEN—Cotton piece goods for clothing industry, wholesalers. Direct purchase and agency. Bengt Aulin AB (importer, agent), 28-30 Sveavagen, Stockholm C. WTD 4/68.

222 Broad woven fabric mills, manmade fiber, silk

ITALY—Synthetic fiber velvets for interior decorating, 200-300 pieces monthly. Giesse, di Vittorio & Mario Springolo (importer, wholesaler), Via Calmaggiore 21, Treviso. WTD 4/68.

SWEDEN—Piece goods, manmade fiber for clothing industry, wholesalers. Direct purchase and agency. Bengt Aulin AB (agent, importer), 28-30 Sveavagen, Stockholm C. WTD 4/68.

223 Broad woven fabric mills, wool

SWEDEN—Piece goods for clothing industry, wholesalers. Direct purchase and agency. Bengt Aulin AB (agent, importer), 28-30 Sveavagen, Stockholm C. WTD 4/68.

225 Knitting mills, products

UGANDA—Hosiery, towels, bedspreads. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

227 Floor covering mills

THAILAND—Rugs, carpets. Direct purchase and exclusive agency. Requests c.i.f. prices, literature, samples. Saim Swiss Corp., Ltd. (importer), 127/13 Soi Kiertikul, Petchburi Road, Bangkok. WTD 3/68.

228 Yarn, thread mills, products

MOROCCO—Yarns, rayon, polyamid, polyester, all sizes, colors, for use in weaving, knitting mills. Direct purchase and exclusive agency. Quotations c.i.f. Casablanca. A.G. Flament (agent), 6, Rue Gastous, Casablanca. WTD 4/68.

229 Textile goods

MOROCCO—Yarn, metallic, for use in mechanical embroideries. Direct purchase and exclusive agency. Quotations c.i.f. Casablanca. A.G. Flament (agent), 6, Rue Gastous, Casablanca. WTD 4/68.

UGANDA—Artificial leather. oilcloth, resin coated fabrics, similar materials for upholstery furniture. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

232 Men's, youths', boys' furnishings, work clothing

PORTUGAL—Ready-made knit outerwear, including sport shirts, neckwear, trousers, pants, slacks, short pants for men, youths, boys. Direct purchase and agency. Charlo—Confeccoes para Homens, Artigos de La e Outros, Lda. (importer, dealer), Rua da Trindade 17, Lisbon 2. WTD 4/68.

235 Hats, caps, millinery

PORTUGAL—Men's, boys' finished straw hats, caps. Direct purchase and agency. Charlo—Confeccoes para Homens, Artigos de La e Outros, Lda. (importer, dealer), Rua da Trindade 17, Lisbon 2. WTD 4/68.

238 Apparel, accessories

PORTUGAL—Men's, boys' leather, other belts, raincoats, other waterproof outer garments. Direct purchase and agency. Charlo—Confeccoes para Homens, Artigos de La e Outros, Lda. (importer, dealer), Rua da Trindade 17, Lisbon 2. WTD 4/68.

249 Wood products

UGANDA—Fancy novelties. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

264 Converted paper, paperboard products

NETHERLANDS—Stationery, office supplies. Direct purchase and representations for Western Europe. N.V. Kortofah (manufacturer, importer, exporter), 46-47 Amsteldijk, Amsterdam. WTD 4/68.

SWEDEN—Stationery, cards. Direct purchase and agency. Scanbolagen i Stockholm AB (agent, distributor, exporter, importer), 3 Barnhusgatan, 111 23 Stockholm. WTD 4/68.

THAILAND—Wallpaper. Direct purchase and exclusive agency. Requests c.i.f. prices, literature, samples. Siam Swiss Corp. Ltd. (importer), 127/13 Soi Kiertikul, Petchburi Road, Bangkok. WTD 3/68.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

278 Bookbinding industries

SWEDEN—Loose-leaf binders, accessories. Scanbolagen i Stockholm AB, 3 Barnhusgatan, 111 23 Stockholm.

281 Industrial chemicals

GERMANY—Uranium, thorium compounds. Nukem Nuklear-Chemie und Metallurgie GmbH (manufacturer, distributor), 6451 Wolfgang, Postfach 869. WTD 4/68.

ISRAEL—Chemicals for foodstuffs, tanneries. Direct purchase and agency. P. Wolberger (agent, importer), 18 Mikweh-Israel St., Tel Aviv. WTD 3/68.

SWEDEN—Special chemicals within field of fiber industry. Direct purchase and agency. Sikema AB (agent), 25 Ludvigsbergsgatan, Stockholm SV. WTD 4/68.

282 Synthetic materials

ITALY—Polyvinyl chloride for extrusion process, 2,000 tons annually; polythene, high density, for container molds, 1,000 tons annually; thermosetting resins, phenolic, melamine, urea for molding. Ceramica Scala S.p.A. (manufacturer), Via Fontane 4, P.O. Box 210, Pordenone. WTD 4/68.

MOROCCO—Staple fiber, acrylic, polyester fibers for use in spinning mills. Direct purchase and exclusive agency. Quotations c.i.f. Casablanca. A.G. Flament (agent), 6, Rue Gastous, Casablanca. WTD 4/68.

283 Drugs

HONG KONG—Animal health products. Luen On Hong, 621 Man Yee Bldg., Hong Kong. Cable: Luenonhong.

287 Agricultural chemicals

LEBANON—Wettable sulphur, acaricides, agricultural insecticides. Direct purchase and agency. J. Fares & Fils (importer), P.O. Box 14, Zahrieh, Tripoli. WTD 3/68.

● **PAKISTAN**—Methyl bromide, 100,000 lbs., 100-110 lbs. per cylinder; Phostoxin®, (trade name for a mixture of aluminum phosphide and ammonium carbamate with a waxy coating, compressed in tablet form), 600 tins, 16 tubes per tin, 30 tablets per tube; calcium or sodium cyanide dust, packing in 5-7 lb. tins and in wooden cases; ethylene dichloride with carbon tetrachloride (3:1), 35 long tons, packed 200 kgs. net and 265 gross, new 18-gauge steel drums; malathion dust, 30 long tons, packed 112 lbs. net in new galvanized iron drums; malathion (25-30%), 10 long tons, packed 112 lbs. net new galvanized iron drums; BHC (16-19%) smoke generators, 500 cases, 48 generators per wooden case or hard board carton. Bid deadline May 23.

Project Director, Food grain Storage Silo Project, Food Department, Government of East Pakistan, Food Directorate Building, 16 Abdul Gani Road, Dacca 2.★ (Telephone 202-967-3910).

291 Petroleum refining

AFGHANISTAN—Lubricating oils for heavy duty trucks. Prices should be quoted c.i.f. Karachi, insurance up to Kabul. Mandaher Transport & Trading Co. (importer, wholesaler, trucker), Serai Shuba, Bagh-e-Alimardan, Kabul. WTD 4/68.

Motor oil for heavy duty trucks. Suppliers should quote prices on c.i.f. Karachi, insurance up to Kabul. Tejarat Khani Haji Mohammed Hussain Jaji (importer, wholesaler, retailer), 2nd Part of Jade Maiwand, Kabul. WTD 4/68.

301 Tires, tubes

AFGHANISTAN—All sizes of tires, tubes for automobiles, trucks. Nezam and Co. (importer, exporter), P.O. Box 1, Kabul. WTD 4/68.

All sizes of tires, tubes for automobiles, trucks. Pamir Co. Inc. (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

306 Fabricated rubber products

AFGHANISTAN—Rubber matting in various sizes for bathtubes, automobiles. Pamir Co., Inc. (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

307 Plastic products

SUDAN—The Sudan Gezira Board invites bids on the supply of 180,000 ft. of polyethylene pipes and fittings. Bid deadline is May 30. Tender documents are available from the Building Materials and Construction Industries Division, BDSA-564, Room 4014, U.S. Department of Commerce, Washington, D.C. 20230. (Telephone: 202-967-3602.)

314 Footwear, except rubber

AFGHANISTAN—All sizes of surplus work boots. Pamir Co., Inc. (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

PORTUGAL—Men's, boys' sports shoes. Direct purchase and agency. Charlo—Confeccoes para Homens, Artigos de La e Outros, Lda. (importer, dealer), Rua da Trindade 17, Lisbon 2. WTD 4/68.

317 Handbags, personal leather goods

UGANDA—Women's handbags. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

319 Leather goods

UGANDA—Fancy novelties. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

323 Glass products

UGANDA—Fancy novelties. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

326 Pottery, related products

VENEZUELA—Tableware, household. Requests replies in Spanish. Carlos M. Arias "Novedades y Regalos" (importer, retailer), Quinta Calolito, Avenida Mohedano, entre Avenidas Blandin y Chaguaramos, La Castellana, Caracas. WTD 4/68.

328 Cut stone products

HONG KONG—Real and artificial marble bathtubs, washstands, related bathroom fixtures. Demig Trading Co. (F.E.), Ltd. (importer, wholesaler, retailer, exporter), 419 Central Bldg. Cable: Detrafe. WTD 4/11/68.

329 Abrasive, asbestos, nonmetallic mineral products

MOROCCO—Fiberglass (glass wool), mineral wool made of rock, slag or other minerals, refractory cement mainly designed for building, industrial appliances (thermic and acoustical insulation). Direct purchase and exclusive agency. Quotations c.i.f. Casablanca. Societe Anonyme des Anciens Ets. Maysonnier (importer, distributor), 143, Rue Hadj Amar Riffi, Casablanca. WTD 4/68.

331 Steel mill products

BRAZIL—Steel shapes manufactured as per firm's specifications. Industrial Trator Parana Ltda. (manufacturer), Caixa Postal 5056, Curitiba, Parana. WTD in preparation.

335 Rolling, drawing, extruding of nonferrous metals

AFGHANISTAN—All kinds, sizes of electrical wire, cable with copper conductors, 220 volt. Noor Electric Co., Ltd. (importer, exporter, wholesaler), Labe Darya Khiaban, Kabul. WTD 4/68.

349 Fabricated metal products

UGANDA—Fancy novelty goods. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

351 Engines, turbines

GERMANY—Small gasoline engines up to approximately 10 hp for road marking equipment. Direct purchase and agency. Jakob Zindel GmbH (manufacturer, wholesaler, exporter), 7 Stuttgart-Bad Cannstatt, Sichelstrasse 31/1. WTD 4/68.

352 Farm machinery

AFGHANISTAN—Thirty to forty horse-power farm tractors, diesel, accessories. Helmandi Co. (importer, exporter, manufacturer), P.O. Box 316, Kabul. WTD 4/68.

PORTUGAL—Onion harvesters, other equipment for mechanized culture of onions. Sugal—Sumos e Concentrados de Frutos de Portugal, Lda. (canners), Azambuja. WTD in preparation.

353 Construction, mining, material handling machinery, equipment

AFGHANISTAN—Fifteen each of 10-ton, 8-ton diesel trucks. Mandaher Transport & Trading Co. (importer, wholesaler, trucker), Serai Shuba, Bagh-e-Alimardan, Kabul. WTD 4/68.

GERMANY—Highway, road marking machinery, equipment. Direct purchase and agency. Jakob Zindel GmbH (manufacturer, wholesaler, exporter), 7 Stuttgart-Bad Cannstatt, Sichelstrasse 31/1. WTD 4/68.

● **YUGOSLAVIA**—Two cranes; one 60 ton and one 30-35 ton capacity; hydraulic controls, mobile carrier mounted. All correspondence in English. Tender No. S1. List SFRJ #14 4/10/68. Bid deadline July 9. Detailed specifications from Mostogradnja, Construction Enterprise Beograd/Vlajkoviceva 19a.

● One asphalt travel-mix plant, 60 tph capacity; one finisher, 10 ton capacity; two hydraulic loaders, side dump buckets, 1.5-2 cu. meter capacity; two bulldozers, crawler mounted, hydraulic, 180 hp. Correspondence preferred in English. Tender No. S1. List SFRJ #14, 4/10/68. Bid deadline July 9. Detailed specifications available from Brodomaterijal, Sektor Uvoza, Rijeka/Post. Pretinac 396.

354 Metalworking machinery

GERMANY—Machine tools, metal forming type, sheet metal punching, shearing machines; thread-cutting machines for pipes. Direct purchase and agency. Otto Schulz vorm. A. Lichterfeld GmbH (distributor, importer), 90 Potsdamer Strasse, 1 Berlin 30. WTD 4/68.

Special metal cutting, forming machine tools incorporating technological developments. Direct purchase and agency. Erich M. Schulze (commission agent, importer, exporter), 28 Herbartstrasse, 1 Berlin 19. WTD 4/68.

● **INDIA**—Heavy-duty pantograph engraving machine with 230 volts single phase AC-DC motor with accessories. Tender No. BARC/P/CAP/938, bid deadline May 31. Head, Purchase and Stores Division, Bhabha Atomic Research Centre, Mohatta Bldg., Palton Road, Bombay 1.★ (Telephone: 202-967-2723.)

● **KENYA**—Universal rotor treating lathe. Reference No. IND.5003/68, deadline for application tender May 28. Chief Supplies Officer, East African Railway and Harbours, P.O. Box No. 30540, Nairobi.

Applications for tender documents must be made to The Overseas Purchasing Division, East African Railways and Harbours, 4, Millbank, London, S.W.1.

NETHERLANDS—Equipment for can, drum making, reconditioning. Direct purchase and representations for Benelux countries, W. Germany, France, Switzerland. Technisch Bureau H. Stuurman (importer, distributor), 4 Veerdijk, Wormer. P.O. Box 35, Wormerveer. WTD 4/68.

355 Special industry machinery

COLOMBIA—Automatic machinery for tube winding of cotton thread. Requests descriptive literature, price quotations c.i.f. Barranquilla. Elias Nassar Saba (manufacturer, wholesaler), Apartado Aereo (airmail P.O. Box) 1154, Barranquilla. WTD 4/68.

GERMANY—Plants and machines for production of granules for manmade fiber industry; all kinds of plastic working machinery, especially for vacuum forming, mass production; sheetmetal polishing machines, separators. Direct purchase and agency. Erich M. Schulze (commission agent, importer, exporter), Herbartstrasse 28, 1 Berlin 19. WTD 4/68.

Machines for fabrication of sheet metal for use in production of ventilating systems. Direct purchase and agency. Otto Schulz vorm. A. Lichterfeld GmbH (distributor, importer), 90 Potsdamer Strasse, 1 Berlin 30. WTD 4/68.

356 General industrial machinery

AFGHANISTAN—Diesel, electric water pumps for drawing water from wells 50-200 meters deep. Nezam and Co. (importer, exporter), P.O. Box 1, Kabul. WTD 4/68.

● **INDIA**—Supply of eight main operated vacuum pumps, four having free air displacement of 30 lpm and the other four 50-70 lpm. Tender No. BARC/P/CAP/907, bid deadline May 31. Head, Purchase and Stores Division, Bhabha Atomic Research Center, Mohatta Bldg., Palton Road, Bombay 1.★ (Telephone: 202-967-5589).

ISRAEL—All kinds of industrial, heavy, light machinery, equipment for construction and metalworking. Direct purchase and exclusive representation. Dov Shomroni (agent, importer, wholesaler), 16 Kaf Tet November St., Tel Aviv. WTD 2/68.

NETHERLANDS—Finishing equipment such as paint spraying equipment. Direct purchase and representation for Benelux countries, W. Germany, France, Switzerland. Technisch Bureau H. Stuurman (importer, distributor), 4 Veerdijk, Wormer. P.O. Box 35, Wormerveer. WTD 4/68.

Coding, marking machines. Direct purchase and representation for Western Europe. N.V. Kortofah (manufacturer, importer, exporter), 46-47 Amsteldijk, Amsterdam. WTD 4/68.

357 Office, computing, accounting machines

GREECE—Computing, accounting machines. Requests information, prices. Direct purchase and agency. Skandinaviki Ltd. (importer, commission agent), 26 Vasileos Irakliou St., Thessaloniki. WTD 4/68.

SWITZERLAND—Electronic computer equipment. Direct purchase and agency. Computer AG (importer, distributor), Bleicherweg 7, 8002 Zurich. WTD 4/68.

361 Electric transmission, distribution equipment

● **BELGIUM**—Invites bids for the supply of electronic measuring and testing equipment including digital to analog converter; digital voltmeter; spectrum analyzer system; recorder; transmission measuring system; carrier frequency level measurement set; in-circuit transistor tester; electronic frequency counter; multimeter; AM-FM signal generator set; electronic frequency counter; single sideband analyzer system. Tender No. 68-50 CANDE MAT., bid deadline June 3. Supreme Headquarters Allied Powers Europe, Purchasing and Contracting Office, ACE Communications Electronics Equipment, Communications and Electronics Division, SHAPE, Belgium.★ (Telephone: 202-967-2939.)

THAILAND—Power, distribution transformers; switches, fuses; KWH meters. Direct purchase and agency. C.i.f. prices, catalogs requested. Bangkok Enterprises (importer), 1147/3 Soi Saraphi 1, New Issaraphap Road, Thonburi, or P.O. Box 2535, Bangkok. WTD 11/67.

362 Electrical industrial apparatus

ISRAEL—Heat-resistant and asbestos-covered flexes, cables; limit and microswitches; toggle switches; various tools for electricians. Direct purchase and agency. A. U. Shay Ltd. (importer, wholesaler), 16 Haarba St., Tel Aviv. WTD in preparation.

SWEDEN—Components, parts, semi-manufactures for electric motors. Direct purchase and agency. AB Materiel-Importen Abemi (agent), Fagelbacksgatan 11E, 217 44 Malmo. WTD 8/67.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 247-0311.

ANCHORAGE, ALASKA, 99501, 306 Lousaco-Sage Bldg. Area Code 907 Tel. 272-6331.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 304 Federal Bldg., 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803 Tel. 577-4171.

CHARLESTON, W. VA., 25301, 3002 New Federal Office Bldg., 500 Quarrier St. Area Code 304 Tel. 343-6196.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Code 307 Tel. 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 9028 Federal Office Bldg., 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216 Tel. 522-4750.

DALLAS, TEX., 75202, Room 1300, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06103, 18 Asylum St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 252 Alexander Young Bldg., 1015 Bishop St. Tel. 588-977.

HOUSTON, TEX., 77002, 2102 Federal Bldg., 515 Rusk Ave. Area Code 713 Tel. 228-0611.

JACKSONVILLE, FLA., 32202, P.O. Box 35067, 400 W. Bay St. Area Code 904 Tel. 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Bldg., 1031 S. Broadway. Area Code 213 Tel. 688-3833.

MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414 Tel. 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612 Tel. 334-2131.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., U. 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10001, 41st Floor, Empire State Bldg., 350 Fifth Ave. Area Code 212 Tel. 563-3277.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2106 Federal Bldg., 400 N. 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 2235 Federal Bldg., 125 S. State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912 Tel. 233-4321.

SEATTLE, WASH., 98104, 809 Federal Office Bldg., 909 First Ave. Area Code 206 Tel. 583-5615.

● **VIET-NAM**—Supply and install diesel generator set 475 to 515 Kva, 0.8 PF, 50 cycle, 220/380 volt, 4 wire wye, 3 phase; 600 rpm, water cooled, 4 cycle, air start, tropical operation; ABS, Lloyds or other specified inspection. Bid opening 12 a.m., July 15.

Correspondence preferred in English, payment in U.S. dollars, generator set for "VIDICO", Saigon (electric wire mfg. plant), Industrial Development Center (IDC), 40-42 Nguyen Hue, P.O. Box 336, Saigon, Viet-Nam.

One set of specifications and bid conditions available for review only, Room 4124, BDSA—Department of Commerce, Washington, D.C. (Telephone: 202-967-4241).

363 Household appliances

AFGHANISTAN—All kinds of electrical household appliances, 220-230 volt. Noor Electric Co., Ltd. (importer, exporter, wholesaler), Labe Darya Khiaban, Kabul. WTD 4/68.

SWEDEN—Dishwashers, other household appliances. Direct purchase and agency. AB Cortina (manufacturer, agent), Norbergsgatan 26, S-214 50 Malmo S. WTD 4/68.

364 Electric lighting, wiring equipment

AFGHANISTAN—Electrical current carrying wiring devices such as sockets, switches, junction boxes, circuit breakers, outlets, all 220 volts. Noor Electric Co., Ltd. (importer, exporter, wholesaler), Labe Darya Khiaban. Kabul. WTD 4/68.

THAILAND—Poleline, transmission hardware; electric lamps. Direct purchase and agency. C.i.f. prices, catalogs requested. Bangkok Enterprises (importer), 1147/3 Soi Saraphi 1, New Issaraphap Road, Thonburi, or P.O. Box 2535, Bangkok. WTD 11/67.

365 Phonograph records

IVORY COAST—American popular music: rock, soul, Afro-Cuban. Requests replies in French. M. Agrati, Diffusion Electrique de la Cote d'Ivoire (retailer), D.I.E.L.C.I., B.P. 1647, Abidjan. WTD in preparation.

366 Communications equipment

● **SENEGAL**—Supply of cable, telephone sets and meters. Tender No. 4, bid deadline June 5. Le Directeur de la Regie des Chemins de Fer du Senegal, City Ballabey a Thies, Senegal. Specifications are available in French.★ (Telephone: 202-967-4823).

UGANDA—Burglar, fire alarm apparatus. R. White & Co. Ltd. (retailer, importer, exporter), P.O. Box 3308, Kampala. WTD 4/68.

367 Electric components, accessories

SWEDEN—Components, accessories for radio, television, electronic industries. Direct purchase and agency. AB Materiel-Importen Abemi (agent), Fagelbacksgatan 11E, 217 44 Malmo. WTD 8/67.

SWITZERLAND—Rheostats, potentiometers, measuring instruments, diodes, analog computers, transistors, synchros. Direct purchase and agency. Megex-Zuerich GmbH (importer, distributor), Badenerstr. 582, 8048 Zurich. WTD 4/68.

371 Motor vehicles, motor vehicle equipment

AFGHANISTAN—All kinds, sizes of rebuilt, diesel-powered trucks. Helmandi Co. (importer, exporter, manufacturer), P.O. Box 316, Kabul. WTD 4/68.

Bus bodies, not assembled; metal seats for buses; auto parts & accessories. Prices should be quoted c.i.f. Karachi, insurance up to Kabul. Tejarat Khani Haji Mohammed Hussain Jaji (importer, wholesaler, retailer), 2nd Part of Jade Maiwand, Kabul. WTD 4/68.

Auto spare parts, accessories. Mandaher Transport & Trading Co. (importer, wholesaler, trucker), Serai Shuba, Bagh-e-Alimardan, Kabul. WTD 4/68.

FRANCE—Automotive vehicles, light-weight, multi-purpose, on and off road, designed for operation in all areas, categories of ground with outstanding maneuverability and versatility; 6 or 8 wheels (all-wheel drives) equipped with low-pressure oversize pneumatic tires; 2-4 stroke gasoline engines; 8-10 hp and over; ranging in weight from 850 to 1050 lbs.; average speed from 25 to 37 miles per hour; including micromotor vehicles, amphibious units. Descriptive catalogues, price lists requested. Agency and direct purchase. Requests replies in French. Pantechnique (dealer, sales agent), 46 Rue Poyenne; 33- Bordeaux, Gironde. WTD 4/68.

Motor vehicle accessories: speedometers, rear-view mirrors, windshield wipers, windshield defrosters, heaters, brakes, directional signals, stop signals. Direct purchase and agency. Societe Sofranaf (importer, wholesaler, agent), 15, Rue du Louvre, Paris, 1er. WTD in preparation.

MOROCCO—Air conditioners fitted for automobile, truck cabins. Direct purchase and agency. Quotations Casablanca. France-Equipement Auto (importer, distributor), 7, Rue Caillaux, Casablanca. WTD 4/68.

382 Instruments for measuring, controlling, indicating physical characteristics

GREECE—Grain testing, grading equipment. Requests information, prices. Direct purchase and agency. Skandinaviki Ltd. (importer, commission agent), 26 Vasileos Irakliou St., Thessaloniki. WTD 4/68.

384 Surgical, medical, dental instruments

FRANCE—Surgical appliances, instruments, up-to-date equipment designed for cardiovascular, bone surgery. Descriptive literature, price lists requested. Direct purchase and agency. Societe Francaise de Fournitures Chirurgicales (S.F.F.C.) (dealer), 57 Rue Paul-Louis Lande; 33- Bordeaux, Gironde. WTD 8/67.

IVORY COAST—Documentation, quotation c.i.f. Abidjan for complete equipment of dental office including drill (both conventional, ultra sound), light, X-ray machine, instrument cabinets and instruments; also documentation, quotation for complete prothesis laboratory. Replies in French only. Dr. Georges Sangaret, 23 Ave. Chardy, B.P. 4548, Abidjan. WTD in preparation.

● **URUGUAY**—Supply of surgical dressing cotton wadding, 45,000 kgs; surgical dressing cotton 0.10x0.15-0.20 mts. gauze, 5000 kgs. Tender No. 624, bid deadline May 14. Terms and specifications in Spanish.

Only firms or individuals established in Uruguay may participate in public bids. Bids should be entered through Uruguayan representative. Ministerio de Salud Publica, Division Administracion, Dpto. de Produccion & Adquisiciones, Seccion Licitaciones y Compras, Av. 18 de Julio No. 1892, P.3, Montevideo.★ (Telephone: 202-967-2939).

391 Jewelry, silverware, plated ware

VENEZUELA—Silverware; knives, forks, spoons. Requests replies in Spanish. Carlos M. Arias "Novedades y Regalos" (importer, retailer), Quinta Calolito, Avenida Mohedano, entre Blandin y Chaguaramos, La Castellana, Caracas. WTD 4/68.

394 Toys, amusement, sporting goods

FRANCE—Fishing tackle, commercial, sportsmen's, primarily automatic fishing reels, spinning rods. Direct purchase and agency. Toulouse (Etablissements I.) (wholesale dealer, agent, manufacturer), Avenue des Lilas; 64-Pau, Basses-Pyrenees. WTD in preparation.

395 Pens, pencils, office, artists' materials

NETHERLANDS—Stationery, office supplies. Direct purchase and representations for Western Europe. N.V. Kortofah (manufacturer, importer, exporter), 46-47 Amsteldijk, Amsterdam. WTD 4/68.

399 Manufacturing industries

UGANDA—Fancy novelties, bone, beaded, shell. Bhaichand Ratanshi & Co. Ltd. (importer, wholesaler, retailer), P.O. Box 780, Kampala. WTD 11/67.

501 Motor vehicles, automotive equipment

SWITZERLAND—Garage service equipment. Direct purchase and agency. Schnellmann Ing., Emil (importer, distributor), Raemistrasse 33, 8024 Zurich. WTD 4/68.

503 Piece goods, notions, apparel

LIBYA—Sports wear for men, boys, girls. Direct purchase and agency. Abdussalam Misrati (importer), 124 Sciara Mizran, P.O. Box 2278, Tripoli. WTD 12/66.

504 Groceries

LIBYA—Candy, chewing gum, nuts, salted nuts, chocolate; rice. Abdussalam Misrati (importer), 124 Sciara Mizran, P.O. Box 2278, Tripoli. WTD 12/66.

509 Wholesalers

KOREA—Aluminum scrap. In-Wha Co. (importer, exporter, agent), C.P.O. Box 696, Seoul. WTD 3/68.

LIBYA—Pitch pine wood; yellow pine wood; Douglas fir wood. Consumption of wood estimated at 500 cub. m. per mth. Assariah (importer), P.O. Box 1036, Tripoli. WTD in preparation.

571 Furniture, home furnishings

LIBYA—China, glassware, metalware for kitchen, table use. Direct purchase and agency. Sulieman Brahim Miscerghi (importer), Errashid St. No. 16, Tripoli. WTD in preparation.

572 Household appliance stores

LIBYA—Air conditioning room units, household freezers; electric garbage disposals; complete kitchen: sinks, cabinets, gas and electric ranges, refrigerators; sewing machines, stoves (electric and gas); vacuum cleaners. Lala En-

terprises Co. (importer), P.O. Box 2422, Tripoli. WTD in preparation.

593 Secondhand stores

AFGHANISTAN—All kinds of used clothing. Pamir Co. Inc. (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

All kinds of used clothing. Nezam and Co. (importer, exporter), P.O. Box 1, Kabul. WTD 4/68.

595 Sporting goods stores

LIBYA—Equipment for golf, tennis, fishermen, hunters, playgrounds, gymnasiums. Abdussalam Misrati (importer), 124 Sciara Mizran, P.O. Box 2278, Tripoli. WTD in preparation.

739 Business services

IVORY COAST—Seeks firm experienced in buying for supermarkets to act as U.S. purchasing agent for full line supermarket items. Mr. Kassam, Societe Prosuma (retailer), Super Marche Nour-Al-Hayat, B.P. 1749, Abidjan. WTD 11/67.

Ceylon calls for bids for galvanized steel sheets

The Chairman, Tender Board, Department of Government Stores, P.O. Box 418, Colombo has issued public tender for bids, by June 25 for 22,000 galvanized steel sheets, having eight corrugations of three inches per sheet, in the following sizes: 4,000 each, 6′ x 26″ x 24G; 2,000 each, 7′ x 26″ x 24G; 10,000 each, 8′ x 26″ x 24G; 2,000 each, 7′ x 26″ x 22G; 2,000 each, 8′ x 26″ x 22G; 2,000 each, 9′ x 26″ x 22G.

Copies of the tender documents are available from the Embassy of Ceylon, 2148 Wyoming Ave., NW, Washington, D.C. 20008 and the Department of Commerce, Iron and Steel Division-642, Washington, D.C. 20230. Telephone: 202-967-2364.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

203 Canning, preserving foods

FRANCE—Canned fish, fruits, vegetables; frozen foods including sea food, related specialties. Requests replies in French. Ruipeyrou (Ets. A.) (wholesaler, sales agent), 121 Ave. Jules-Julien; 31- Toulouse, Haute-Garonne. WTD in preparation.

211 Cigarettes

AFGHANISTAN—All kinds of cigarettes. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

212 Cigars

AFGHANISTAN—All kinds of cigars, cigarillos. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

213 Tobacco, snuff

AFGHANISTAN—Pipe, other tobacco, all kinds. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

264 Converted paper, paperboard products

AFGHANISTAN—All kinds, qualities of writing paper, envelopes, office stationery, printing paper. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

284 Soap, detergents, cleaning preparations

GERMANY—Toilet preparations, except perfumes, cosmetics. Requests price quotations c.i.f. Hamburg or Rotterdam. Requests replies in German. Artur Rudolf Hilger (wholesaler, agent, distributor), 495 Aachener Strasse, 5 Koeln-Braunsfeld. WTD 4/68.

306 Fabricated rubber products

GERMANY—Combs of all kinds, rubber brushes, bathing caps. Requests price quotations c.i.f. Hamburg or Rotterdam. Requests replies in German. Artur Rudolf Hilger (agent, wholesaler, distributor), 495 Aachener Strasse, 5 Koeln-Braunsfeld. WTD 4/68.

307 Plastics products

AFGHANISTAN—All sizes of plastic floor tiles for construction. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

FRANCE—French manufacturer of plastic household and camping wardrobes, slip covers and cushions, baby panties seeks arrangement with U.S. manufacturer or dealer of complementary plastic household goods whereby American firm would act as sales agent-distributor for products of French firm and French firm would perform similar service for U.S. company. Requests replies in French or German. Mafap, Manufacture Francaise d'Articles Metalliques et Plastiques (manufacturer, distributor), 67 Mutzig. WTD 4/68.

321 Flat glass

AFGHANISTAN—Clear flat window glass of all sizes. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

339 Primary metal products

ISRAEL—Nonferrous metals: primary or semis. Matrimag Metal Trading Co. Ltd. (importer, exporter, wholesaler), 34/36 Yitzhak Sadeh St., Tel Aviv. WTD 3/68.

342 Cutlery, hand tools, general hardware

AFGHANISTAN—All kinds of builders' hardware including door locks, lock sets, hinges, brackets, door bolts. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

THAILAND—Kitchen cutlery, tableware including kettles, pots, pans. Exclusive agency. C.i.f. prices, catalogs required. Siam Swiss Corp. Ltd. (importer), 127/13 Soi Kiertikul, Petchburi Road, Bangkok. WTD 3/68.

VENEZUELA—Hand tools for all purposes. Sales agency for entire country. Ruhando S.R.L. (sales agency), Quinta Pipina, Avenida Honduras, Urbanizacion Las Acacias, Caracas, or: Apartado 13127 Nueva Granada, Caracas. WTD 2/68.

352 Farm machinery

AFGHANISTAN—All kinds of agricultural, farming equipment, machinery, including small tractors, accessories, small incubators for chickens. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

353 Construction, mining, materials handling machinery, equipment

HONG KONG—Airport ground equipment and airport servicing equipment, including conveying systems, airbridges, horizontal escalators, exclusive agency. Gordon Woodroffe & Co. (Far East), Ltd. (importer, wholesaler, exporter, consulting engineer), P.O. Box 87. Cable: Woodroffe. WTD in preparation.

355 Special industry machinery

AFGHANISTAN—Small-scale paper-making machinery, 220 volts; small printing presses, used. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

357 Office, computing, accounting machines

AFGHANISTAN—Used or new typewriters, calculators, adding machines, duplicating machines. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

358 Service industry machines

THAILAND—Complete line of hotel, restaurant kitchen equipment comprising stoves, pastry machinery, dishwashers, coffee automats, ice cube making machines. Exclusive agency. Requests c.i.f. prices, catalogs. Siam Swiss Corp. Ltd. (importer), 127/13 Soi Kiertikul, Petchburi Road, Bangkok. WTD 3/68.

366 Communication equipment

AFGHANISTAN—Telephone switchboards, wiring. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

371 Motor vehicles, equipment

VENEZUELA—Silent block bushings. Agency for Caracas, western, eastern states of Venezuela. Corporacion Sagesa, C.A. (importer, distributor, sales agent), Edificio Manaure, piso 8, Oficina 83, Calle San Antonio, Sabana Grande, Caracas, or: Apartado N° 128 (Carmelitas), Caracas. WTD 4/68.

385 Ophthalmic goods

GERMANY—Sun glasses. Requests price quotations c.i.f. Hamburg or Rotterdam. Requests replies in German. Artur Rudolf Hilger (wholesaler, agent, distributor), 495 Aachener Strasse, 5 Koeln-Braunsfeld. WTD 4/68.

394 Toys, amusement, sporting goods

AUSTRALIA—Swimming pool equipment.

Agency to use equipment within organization, further marketing throughout country. Neptune Swimming Pools, Pty. Ltd. (contractors), 899a Canning Highway, Applecross, Western Australia 6153. WTD in preparation.

399 Manufacturing industries

GERMANY—Shaving brushes, toothbrushes. Requests price quotations c.i.f. Hamburg or Rotterdam. Requests replies in German. Artur Rudolf Hilger (wholesaler, agent, distributor), 495 Aachener Str., 5 Koeln-Braunsfeld. WTD 4/68.

Combs, products for hair such as nets, brands, articles made of hair, such as switches, toupees. Requests price quotations c.i.f. Hamburg or Rotterdam. Requests replies in German. Artur Rudolf Hilger (wholesaler, agent, distributor), 5 Koeln-Braunsfeld, 495 Aachener Str. WTD 4/68.

HONG KONG—Full-line "do-it-yourself" kits, hardware, hand tool line, for self-contained display in 1,000 to 2,000 sq. ft. Exclusive agency. The Shui Hing Co., Ltd. (wholesaler, retailer, importer), P.O. Box 228. Cable: Kooshui. WTD in preparation.

506 Electrical appliances

AUSTRALIA—Hardware items to supplement present lines of electrical equipment, appliances; new, unique electrical goods. Breville Agencies Pty. Ltd. (agency), 11 Maud St., Newstead, Brisbane, 4006, Queensland. WTD 3/68.

509 Wholesalers

AUSTRALIA—General merchandise, novelties to complement appliance, other household goods lines. Breville Agencies Pty. Ltd. (agency), 11 Maud St., Newstead, Brisbane, 4006, Queensland. WTD 3/68 .

593 Secondhand stores

AFGHANISTAN—All kinds of used men's, youths', boys' clothing, baled. Nabico (importer, commission agent), P.O. Box 337, Kabul. WTD 3/68.

Leads for Importers

Commodities are offered direct unless specified

012 Fruit, tree nuts, vegetable farms

AFGHANISTAN—Cleaned pistachio nuts with shells (90% open) packed in 70 kg. jute bags. Selected Sultana raisins packed in 12½ kg. cardboard cartons. Helmandi Co. (importer, exporter, manufacturer), P.O. Box 316, Kabul. WTD 4/68.

Pistachio nuts, shelled or unshelled, packaged in jute bags, weight according to customer's specifications. Noor Electric Co., Ltd. (importer, exporter, wholesaler), Labe Darya Khiaban, Kabul. WTD 4/68.

Unshelled pistachio nuts in 50 kg. jute bags. Pamir Co., Inc., (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

071 Agricultural services

NEPAL—Jute, jute goods in required quantities. Samples on request. Nebico (Pvt.) Ltd. (manufacturer), 8/390 Wotoo Fasikeba, Kathmandu. WTD in preparation.

195 Small arms, ammunition

AFGHANISTAN—Antique pistols, guns. Nezam and Co. (importer, exporter), P.O. Box 1, Kabul. WTD 4/68.

SWEDEN—Pistols, revolvers, rifles, shotguns. AB Th. Persson (retailer, wholesaler, export/import), Arstad. WTD 3/68.

209 Food preparation

NEPAL—Vegetable oilseed, big size linseed in required quantities. Samples on request. Nebico (Pvt.) Ltd. (manufacturer), 8/390 Wotoo Fasikeba, Kathmandu. WTD in preparation.

227 Floor covering mills, products

AFGHANISTAN—Antique, new Afghan carpets of any size, color or design. Noor Electric Co., Ltd. (importer, exporter, wholesaler), Labe Darya Khiaban, Kabul. WTD 4/68.

Antique and new Afghan carpets in all sizes, designs, colors. Nezam and Co. (importer, exporter), P.O. Box 1, Kabul. WTD 4/68.

229 Textile goods

AFGHANISTAN—Sheep's wool, sorted, washed, cleaned either white or yellow color, baled in 120 kg. bales. Helmandi Co. (importer, exporter, manufacturer), P.O. Box 316, Kabul. WTD 4/68.

233 Women's, misses', juniors' outerwear

MOROCCO—Women's dresses, Moroccan style, called "caftans". Samples, prices available upon request. Au Tresor Artisanal (exporter), 90/92 Ave. Mohammed V, Marrakech. WTD 4/68.

237 Fur goods

AFGHANISTAN—All sizes, colors of Karakul fur caps. Pamir Co. Inc. (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

238 Apparel, accessories

AFGHANISTAN—Various sizes, designs of sheep skin jackets, coats. Pamir Co. Inc. (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

Sheepskin coats made up to all sizes for men, women, children. Nezam & Co. (importer, exporter), P.O. Box 1, Kabul. WTD 4/68.

239 Fabricated textile products

AFGHANISTAN—Embroidered cloth pieces in various sizes, colors. Pamir Co., Inc., (importer, exporter), P.O. Box 3009, Kabul. WTD 2/68.

251 Household furniture

MALAYSIA—Rattan furniture packed in set of four chairs, one settee, one table, two small coffee tables; approximate weight per package 250 lbs. Direct sale or through agents. Sharikat Khalaff (general contractor, agent, exporter), 1st Floor, Mara Building, Jalan Tuanku Abdul Rahman, Kuala Lumpur. WTD 4/68.

283 Drugs

NEPAL—Botanical herbs, drugs: atropabellaeomna leaf, daturastramonum leaf, lycopodium powder, rauwolfia serpentia, purathrum flower, berderin bark. Samples on request. Nepal Pharmaceutical Works (Pvt.) Ltd. (manufacturer), 8/390 Wotoo Fasikeba, Kathmandu. WTD in preparation.

286 Gum, wood chemicals

MALAYSIA—Rosins in powdery, crystal forms packed in bags of approximately 112 lbs. Direct sale or through agents. Sharikat Khalaff (exporter, agent, contractor), 1st Floor, Mara Bldg., Jalan Tuanku Abdul Rahman, Kuala Lumpur. WTD 4/68.

345 Screw machine products

COLOMBIA—Solid, tubular, semi-tubular, split aluminum and copper rivets, round or flat head from 3/32" to 1/4" diameter up to 1¼" long. Quotations, samples available upon request. Remaches Industriales Ltda. (manufacturer, wholesaler, exporter), Apartado Aereo (airmail P.O. Box) 2272, Barranquilla. WTD 4/68.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

INDIA—Levchand K. Shah, Elite Optical Industries, 31 Mount Road, Madras 32, interested in **exporting optical frames to U.S.** May 20 via New York for 2-3 weeks. c/o The Indian Consul General, New York, N.Y. Itinerary: New York, Philadelphia, Washington, Miami, Chicago, Dallas, Los Angeles, San Francisco. WTD in preparation .

JAPAN—Ken-ichi Yamaguchi, representing Yagihyo Shoji Kabushiki Kaisha, 3-16 Nishiki 2 chome, Naka-ku, Nagoya, interested in **studying U.S. distribution channels of textile underwear.** May 17 via Miami for ten days. c/o The Tokai Bank Ltd., New York Agency, 67 Broad St., New York, N.Y. 10004. Itinerary: Miami, New York, Washington, Chicago, Detroit. WTD in preparation.

NETHERLANDS—Mr. & Mrs. Roland S. Driessen, Bookimpex, 124 Noordeinde, The Hague, interested in **agency for U.S. advanced level scientific and technical books, especially from learned and professional societies.** May 9 via New York for 2½ weeks. c/o American Express Co., 61 W. 51st St., New York, N.Y. 10019. Itinerary: New York, Washington, Boston, Philadelphia. WTD 11/67.

SWEDEN—Co Ericson, Director, Konsult Kollegiet AB, Gardsvagan 6, Solna, interested in **techniques of collecting, registering, and retrieving market data information, EDP.** May 18 via New York for approx. 20 days. Itinerary: 5/18-27 New York c/o Sales & Marketing Executives, 630 3rd Ave., 10017 or New York Hilton Hotel, 1335 Ave. of the Americas, 10019; 5/25-29 Washington c/o Hay-Adams Hotel, 800 16th St., N.W., 20006. WTD in preparation.

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Calendar *for international traders*

(Cont'd from inside front cover)

LOS ANGELES—May 22—Businessmen's Consultation, **Hilding A. Peterson, Commercial Officer, Rotterdam/to Toronto.** Sponsor: Commerce Field Office.

MEMPHIS—May 21-22—Executive Level Export Seminar, Holiday Inn-Rivermont. Sponsors: Commerce Field Office, REEC, World Trade Club, Mid-South Exporters' Roundtable, Chamber of Commerce.

MIAMI—May 28—Export Workshop on Containerization, Commerce Field Office, 10 a.m. Sponsors: Commerce Field Office, So. Fla. REEC.

MILWAUKEE—May 22—Wisc. Int'l Trade Conference, luncheon, World Trade dinner, Hotel Pfister. Sponsors: Commerce Field Office, REEC, World Trade Club, Metropolitan Milwaukee Assn. of Commerce.

NASHVILLE—May 23—Export Workshop, Chamber of Commerce, 3 p.m. Sponsors: Commerce Memphis Field Office, REEC, SBA, Chamber of Commerce.

NASHVILLE—May 23—Export Conference, Ramada Inn, 6 p.m. Speaker: Robert Wilson, REEC member & pres., Barbecue King, Inc. Sponsors: Commerce Field Office, REEC, Middle Tenn. Exporters' Roundtable.

NEW HAVEN—May 21—Combination Export Managers luncheon meeting, Yankee Silversmith Inn, Wallingford, 11:45 a.m. Speaker: Peter F. Greene.

NEW YORK—May 21—Int'l Executives Assn. luncheon, Hotel Statler Hilton, 11:45 a.m. Speaker: R. D. Carter, Transamerican Trailer Transport, Inc.

NEWARK—May 23—Annual World Trade Day Luncheon, Rob't Treat Hotel. Sponsor: World Trade Assn. of N.J.

PADUCAH, Ky.—May 21—World Trade Week Seminar, Irvin Cobb Hotel, 12 noon-3:30 p.m. Sponsors: Commerce St. Louis Field Office, REEC, Lions Club, SBA, Chamber of Commerce.

PHILADELPHIA—May 22—Nat'l Maritime Day luncheon, Packer Ave. Marine Terminal, 12 noon. Speaker: Gov. Raymond P. Shafer.

PITTSBURGH— May 23—World Trade Week luncheon & forum, Pick-Roosevelt Hotel, 12 noon. Speaker: William B. Dale, IMF. Sponsors: REEC, World Trade Council.

QUINCY, Ill.—May 24—World Trade Week seminar, Lincoln-Douglas Hotel, 12 noon-3:30 p.m. Sponsors: Commerce St. Louis Field Office, REEC, SBA, Chamber of Commerce, Exchange Club.

ROLLA, Mo.—May 23—World Trade Week luncheon, Lions Club, 12 noon. Sponsors: Commerce St. Louis Field Office, REEC, Lions Club, Chamber of Commerce.

ST. LOUIS—May 21—Developing Markets Overseas Seminar, St. Louis Club, 10 a.m.-4 p.m. Sponsors: Commerce Field Office, REEC, Pan American World Airways.

SAN FRANCISCO—May 22—Export Finance & Insurance Seminar, Rm. 15018, New Federal Bldg., 9:30 a.m.

SAVANNAH—May 22—World Trade Conference, First Federal Penthouse, 12:30 p.m. Speakers: **Roderick M. Gillies, exec. dir., Export Expansion Councils, Dept. of Commerce,** Wiley S. Messick, SBA. Sponsor: REEC.

SAVANNAH—May 23—Businessmen's Consultation, **David R. Thomson, Economic Counselor, Kabul.** Sponsor: Commerce Field Office.

SEATTLE—May 23—Regional Export Conference & World Trade Club of Seattle luncheon, Olympic Hotel, 8:30 a.m.-5:15 p.m. Sponsor: REEC.

TITUSVILLE, Pa.—May 20—Export Luncheon-Forum, Cross Creek, 12 noon.

TOLEDO—May 22—Export Trade Conference, Commodore Perry Motor Inn, 8:55 a.m.-4 p.m. Sponsors: Commerce Cleveland Field Office, Chamber of Commerce, Univ. of Toledo, Bowling Green State Univ., Toledo-Lucas County Port Authority.

TRENTON—May 20—Delaware Valley Int'l Trade Assn. monthly meeting, Don Young's Restaurant, 12 noon. Speaker: Peter Blake, dir., State Division of Economic Development.

WESTBURY, N.Y.—May 21—World Trade Club of Long Island luncheon meeting, Westbury Manor, 12 noon. Speaker: Kenneth M. Spang, First Nat'l City Bank.

YORK, Pa.—May 21—York Area World Trade Assn. dinner meeting. Topic: Trade with Africa.

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